

# The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, JULY 23, 1931

## THE MAGIC CITY

Founded in 1871, Birmingham is the largest city of its age in the world. No mushroom growth this, but the steady progressive development that has earned for it the name of "The Magic City."

Its history began with the discovery of nature's rare gift of natural resources hidden in the hills surrounding the city. Here, as in no other spot in the world, are found the three essentials for making steel: iron ore, coal and limestone. Because of this rich endowment, Birmingham is today one of the three steel centers in the United States, and leads the world in the production of Cast Iron Pipe.

Lying between two mountain ranges, Birmingham is a teeming hive of industrial activity. The night is aglow with the reflection from the blast furnaces and the day vibrates to the hum of busy factories, both engaged in fabricating the masses of mineral wealth into gold.

It has been said that Birmingham has so completely de-



*Birmingham is a city rich in opportunity and in actual and potential wealth, but it is essentially a city of beautiful homes.*

veloped its natural resources that it could lock the gates of the city and enjoy every necessity and most luxuries without communicating with the outside world.

Consistent with its policy of development and expansion the Union Indemnity Company, a division of Insurance Securities Company, Inc., has maintained for many years a Service Branch in this Magic City. Here, as in every office of Union Indemnity Company we offer our full cooperation and facilities toward solving the insurance problems of this energetic population of 260,000.

## Union Indemnity Company

A DIVISION OF INSURANCE SECURITIES COMPANY, INC.



Detroit Life Insurance Company  
La Salle Fire Insurance Company  
Union Title Guarantee Company, Inc.

EXECUTIVE OFFICES: UNION INDEMNITY BUILDING, NEW ORLEANS

100 MAIDEN LANE, NEW YORK

*By  
Demonstration  
or*



# *How to Sell* **EXPLOSION INSURANCE**

**S**ALES DYNAMITE! That's what is needed to sell Explosion Insurance! It is particularly hard to make people believe there is going to be an explosion — hard to shake them out of their indifference to the real need for this protection. Knowing this, the "Springfield Group" has developed some good arguments charged with selling gunpowder, to help you sell more Explosion Insurance. If you are not interested in increasing your premium income, if you are not enthusiastic enough to want to use the most up-to-date methods for getting new business, then the "Springfield Group's" Selling Broadside on Explosion Insurance is not for you. But if you want detonations which will enable you to get attention and help you make sales, write for a copy.



## **THE SPRINGFIELD GROUP OF FIRE INSURANCE COMPANIES**

### **SPRINGFIELD FIRE AND MARINE INSURANCE COMPANY**

*Chartered 1849*

*Cash Capital, \$5,000,000.00*

**SPRINGFIELD, MASSACHUSETTS**

*GEORGE G. BULKLEY, President*

*Harding & Lininger, Mgrs., Chicago. John C. Dornin, Mgr., San Francisco. W. E. Findlay, Mgr., Montreal*

**CONSTITUTION DEPARTMENT, Springfield, Massachusetts**

**SENTINEL FIRE INSURANCE COMPANY, Springfield, Massachusetts**

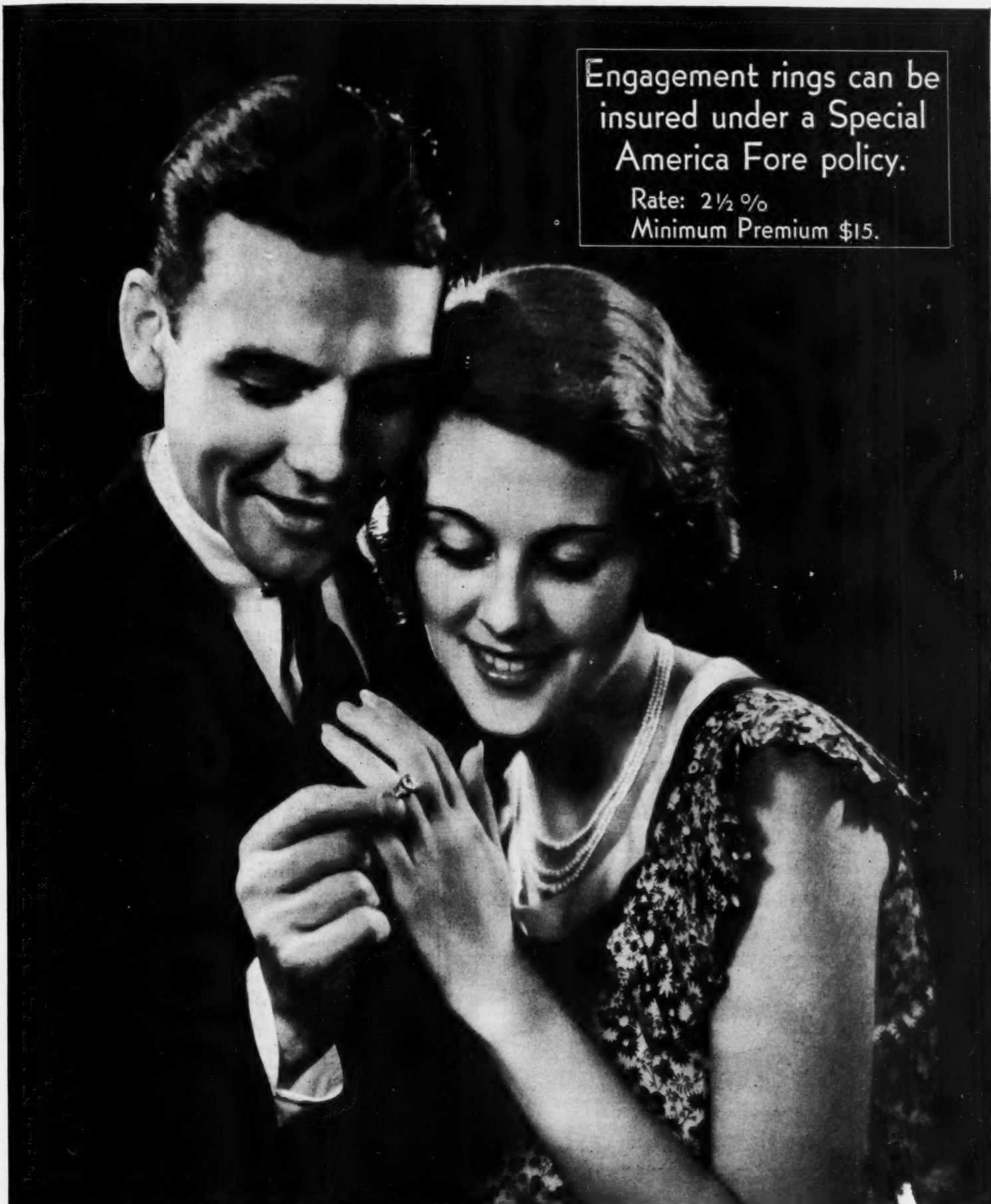
**MICHIGAN FIRE & MARINE INSURANCE COMPANY, Detroit, Michigan**

**NEW ENGLAND FIRE INSURANCE COMPANY, Pittsfield, Massachusetts**



**Specify Stock Fire Insurance**





Engagement rings can be  
insured under a Special  
America Fore policy.

Rate: 2½ %

Minimum Premium \$15.

The AMERICA FORE GROUP of Insurance Companies

THE CONTINENTAL INSURANCE COMPANY  
AMERICAN EAGLE FIRE INSURANCE COMPANY

FIDELITY-PHENIX FIRE INSURANCE COMPANY  
FIRST AMERICAN FIRE INSURANCE COMPANY

NIAGARA FIRE INSURANCE COMPANY  
MARYLAND INSURANCE COMPANY OF DELAWARE

ERNEST STURM, Chairman of the Board  
PAUL L. HAID, President

Eighty Maiden Lane,

THE FIDELITY AND CASUALTY COMPANY

ERNEST STURM, Chairman of the Board  
WADE FETZER, Vice Chairman  
PAUL L. HAID, President

New York, N.Y.

NEW YORK

CHICAGO

SAN FRANCISCO

ATLANTA

DALLAS

MONTREAL

# STRENGTH IS SAFETY

# Now!

*Fire, Automobile,  
Marine and allied  
forms of Insurance*



## THE HOME INSURANCE COMPANY NEW YORK

Organized 1853

59 MAIDEN LANE

Wilfred Kurth, President

*Strength — Reputation — Service*

### DEPENDABILITY

*More Important Than Ever—*

#### 156th Semi-annual Statement July 1, 1931

Cash Capital  
\$24,000,000.00

Net Surplus  
\$36,398,755.35

(Accumulated over 78 years)

Surplus to Policyholders  
\$60,398,755.35

Additional Funds  
\$38,936,368.00

(Pro Rata Unearned Premiums)

Reserved  
for miscellaneous accounts, taxes,  
dividends, and other obligations  
\$12,754,865.55

Assets  
Cash on hand, funds conservatively invested  
or current balances payable when due  
\$112,089,988.90

Thirty-

Ben  
E

Nation  
Bee

GIVE

Front C  
cate  
I

W. H.  
tional A  
extende  
Insuran  
in proc  
dress b  
Fire U  
sary m  
Creat  
Associat  
a step  
the exe  
Associat  
ago in  
of com  
mittee,  
tion, "b  
pany c  
to dea  
agency  
all of i  
elect to  
benefit  
that m  
compar  
less suc  
pany o  
such n  
ritorial  
territor  
membe  
withhol  
side co  
suranc

"Tha  
stated,  
the tim  
ping of  
tion sh  
nationa  
compar  
cessful  
tion, w  
ness in  
that th  
formity  
tional C  
sioners.  
"The  
ment,"  
of the  
lated to  
erning  
compar  
and pro  
ing to  
panies  
or rest  
wholes  
withou



# The National Underwriter

Thirty-Fifth Year No. 30

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, JULY 23, 1931

\$4.00 Per Year, 20 Cents a Copy

## Bennett Endorses Executives Group

Nationwide Uniformity Has Long Been Advocated by Agents, He Says

### GIVES BUFFALO ADDRESS

Front Office Association Should Eradicate Inconsistencies of Company Practice, Speaker Declares

W. H. Bennett, general manager National Association of Insurance Agents, extended his hearty endorsement to the Insurance Executives Association, now in process of organization, in his address before the Buffalo Association of Fire Underwriters at its 50th anniversary meeting Wednesday evening.

Creation of the Insurance Executives Association, Mr. Bennett pointed out, is a step in the direction recommended by the executive committee of the National Association of Insurance Agents a year ago in a resolution calling for a union of companies nationwide. "The committee," Mr. Bennett quoted the resolution, "believes that such a national company organization as is contemplated to deal with national questions of agency-company practices, withholding all of its facilities to such companies as elect to remain outside, will be of great benefit to the business country-wide; that membership be withheld from any company, or any member of a fleet unless such company and every other company of the fleet become members of such national organization and the territorial company organization in every territory and division; that company members of such an organization should withhold reinsurance facilities from outside companies and refuse to cede reinsurance to them."

#### Overlapping of Authority

"That expression," Mr. Bennett stated, "was based upon the belief that the time had come when the overlapping of authority in company organization should cease. We believe that a national organization of fire insurance companies will furnish the means of successful contact with our own organization, which serves the insurance business in its national aspect." He added that this movement toward national uniformity has the endorsement of the National Convention of Insurance Commissioners.

"There has just come forth a movement," Mr. Bennett added, "on the part of the fire insurance companies calculated to bring about a nationwide governing body, which will include all those companies believing in ethical practices and proposing to play the game according to the rules. The free lance companies which desire not to be limited or restricted or controlled by wise and wholesome regulations will be found without the gates, where they properly

## Allied Withdrawal from "Hot Spots" Is Advocated

An effort is being made on the part of one of the largest companies to form something of an alliance with several leading competitors for the purpose of cleaning up certain notoriously bad towns and villages of the country from the loss standpoint.

The company promoting the idea wants several of its competitors to stand together in withdrawing from certain places, where the moral hazard is bad, where the citizens are careless, where there is no effort to improve protection, and where the companies have been pouring money for a period of years.

#### Dramatic Withdrawal

The plan would be for these companies to withdraw in a somewhat dramatic fashion, making an official announcement probably to the chamber of commerce of the town or village. The announcement would report the money that the seceding companies had paid into that town for losses and that figure would be compared with their premium receipts.

The idea of making organized withdrawals has been advanced because of the spirit developed by the proposed Insurance Executives Association, which is believed to be a step in the direction of uniformity and closer co-

operation among the companies. The company behind the withdrawal scheme feels that the plan might be put into operation while the spirit of willingness to cooperate is abroad.

The companies today are watching their underwriting results minutely and centers which have produced a consistently high loss ratio are brought to the attention of the front office. Companies are not hesitating to withdraw from such towns individually, but some of them are coming to the conclusion that although individual withdrawal may protect that company, it is not constructive for insurance as a whole.

In some towns where losses have been consistently excessive it is felt that no rates will compensate a company for continuing to write. Advanced rates do not always have a corrective influence on a town, but it is believed that the withdrawal of a group of the most powerful companies from a city or village would be dramatic enough to bring about a quick reaction.

If such an alliance is formed among leading companies, it will probably be applied at first in smaller centers. There, the reaction, it is believed, would be instantaneous and improvement in conditions could be brought about quickly.

belong. Such companies will no doubt continue for awhile to find representation in the agency system, for all agents are not of the kind who have helped build this business until it stands today the wonder and admiration of the world."

#### Dr. Jekyll, Mr. Hyde

Mr. Bennett criticized the condition which permits an insurance company to be a "Dr. Jekyll and Mr. Hyde." He pointed out that a company could be a member of the Eastern Underwriters Association and a non-member of every other company organization, "violating every rule of organization government which they may desire." This inconsistency, he said, was recognized by the National Board at its last annual meeting, which gave consideration to uneconomic competitive conditions and the weakening of organization control over its members, which threatened complete demoralization.

Mr. Bennett prefaced his remarks by declaring that the "inexorable law of economics applies to the operations of companies and agents." "No agent," he said, "can spend more than he makes and remain solvent. No agent can spend the money that belongs to some insurance company without imperiling his present welfare, if not his future existence."

#### Can't Stem the Tide

"No insurance company can receive 100 cents of the premium dollar, pay out more than that and continue indefinitely to stem the tide. When I read the other day the annual report of a fire insurance company and noted that its loss ratio on its fire lines in 1930 was 60 percent, marine 68.7 percent, automobile 79.1 percent, its average loss ratio on all lines

70.3 percent, and its total loss and expense ratio 113.6 percent, I knew that Old Man Mathematics was camping on that company's trail and that before long it will be submerged beneath the waves of economic reality."

Mr. Bennett concluded by stating that the executive committee of the agents association will give attention at its next meeting to enunciating the doctrine that the position taken by the management of any one company in a group must be construed to be the position of all companies in the group.

Mr. Bennett concluded by stating that the executive committee of the agents association will give attention at its next meeting to enunciating the doctrine that the position taken by the management of any one company in a group must be construed to be the position of all companies in the group.

Mr. Bennett concluded by stating that the executive committee of the agents association will give attention at its next meeting to enunciating the doctrine that the position taken by the management of any one company in a group must be construed to be the position of all companies in the group.

Mr. Bennett concluded by stating that the executive committee of the agents association will give attention at its next meeting to enunciating the doctrine that the position taken by the management of any one company in a group must be construed to be the position of all companies in the group.

## Specialty Companies Can't Write Truck Cargo Cover

LANSING, MICH., July 22.—Specialty companies organized under the Michigan automobile act have no right to write inland marine covers such as cargo insurance the Michigan department has just held. The department's ruling was submitted to the attorney-general's department and approved before being forwarded to the Wolverine of Lansing, which is said to have been attaching cargo insurance riders to many of its truck policies.

The Wolverine was also instructed to drop its provision for employment of counsel for assureds accused of criminal offenses in connection with operation of their cars. Such a coverage was held to be against public policy in that it is an attempt to insure against the consequences of crime.

The Wolverine management is said to be showing a disposition to argue the point and has asked for a conference with the attorney-general on the subject of the two rulings.

## Security Slump Seen in Figures

Insurance Men Are Scanning Carefully Items in Semiannual Statements

### DROP IN SURPLUS FOUND

Financial Wizards Have Not Been Able to Pick the Winners in the Investments

NEW YORK, July 22.—Semi-annual statements of the Home and the America Fore group have already made their appearance, and others, it is anticipated, will be issued very shortly. That each will be attentively studied is a foregone conclusion. Every one actively engaged in the fire line appreciates that the past six months has been a period of trial and tribulation for the companies, all of which have been compelled to face a shrinkage in the value of securities carried in their portfolios, and at the same time, suffer both a decline in premium income and an increase in losses. That the combination would make for a drop in both the assets and net surplus accounts of the great majority of the institutions was wholly to be expected, the only speculation being as to the extent of the decline.

#### Not Much Change Is Noted

While "hope springs eternal in the breast," of the officials, truth compels the admission that the gain thus far is scarcely perceptible; such change as is observable being largely in the more buoyant attitude of merchants and manufacturers. While a mental attitude, it is yet looked upon as presaging tangible positive action and for that reason is welcomed.

Georgia is the only state requiring the filing of semi-annual figures. Until these be available it will be impossible to learn the status of all of the companies, save, of course, those not licensed in that state, and hence not amenable to its laws.

#### Not Open for Public Inspection

New York compels the submission by the fire companies operating within its confines of quarterly reports, and these will be due Aug. 15. These statements, however, which by the way are not open to public inspection, being jealously guarded by the department officials, are designed more to keep track of the financial operations of the companies than of their underwriting activities. Listings of the purchase or sale of any securities during the preceding quarters; the character of the investment, price paid and other particulars must be given. Few of the fire companies change the character of their investments as a rule, though under present conditions classes of securities that heretofore have been prime favorites

(CONTINUED ON PAGE 30)

## Oral Arguments in Nebraska Separation Case July 31

### MUCH TESTIMONY IS TAKEN

Company Attorney Says if Action Unfavorable, Appeal Will Be Taken to Supreme Court

Commissioner Herdman of Nebraska has called for oral arguments July 31 in the action against nine companies, charged by three local agents, with acting in concert as members of the Western Underwriters Association, in separating agencies of that state. This decision was made after a three day hearing before Commissioner Herdman, in which the complainant agents contended that the companies were proceeding as members of the W. U. A., and the company representatives contending that in Nebraska they were operating individually, each company according to its own individual judgment.

The companies took exception to the proposal that the case be submitted on brief. They contended that this procedure would delay final adjudication and in the meantime their companies would be under a cloud. Commissioner Herdman announced at the close of the hearing that his decision would have to be passed on by the governor.

#### Attorney Dunn's Statement

Attorney I. J. Dunn, attorney for the defendant companies, announced, that if necessary, he would take the case to the supreme court on the grounds of the decision in the case of Niagara Fire vs. Cornell. In that case the federal district court of Nebraska in 1901 issued a decree of injunction restraining state officers from enforcing the state law against agreements between insurance companies because it is unconstitutional.

The defense of the companies can perhaps be summed up in the statement of John K. Morrison, Globe & Rutgers state agent, who said: "No agent can honestly and fairly represent a company when he has other companies in his agency paying a higher commission. And for the company it is my going out with you to shoot ducks, I with a rifle and you with a shotgun."

The complaining agents are Fred E. Walt, B. K. Bushee and O. D. Trombla. The defendant companies, who were represented at the hearings by their state and special agents, were St. Paul F. & M., Globe & Rutgers, Caledonian, National American Fire, Columbia Fire Underwriters, Fidelity-Phenix, Springfield F. & M.

There was much ado about a meeting of state and special agents in Omaha in April, 1930, which was addressed by C. R. Street, then president, and W. D. Williams, then vice-president of the Western Underwriters Association. Testimony was offered by the agents that this meeting was the beginning of a separation drive, while representatives of the company declared that Mr. Williams at that time said that, in view of the Nebraska laws forbidding combination, the Western Underwriters Association did not assume jurisdiction in that state.

Among those who were heard by Commissioner Herdman were J. E. Foster, National American Fire; W. C. Dunker and C. A. Hager, local agent of Ord; P. K. Walsh, National Security Fire; W. C. Lyle, St. Paul F. & M.; S. L. Gardner of the J. K. Morrison general agency; D. C. Benedict, Franklin; P. H. Davis, Norfolk; R. H. Sisty, Columbus; J. A. Isaman, Aurora, and S. C. Peterson, Ogallala; John Zimmer, Lincoln; C. T. Flower, Grand Island, and C. T. Jorne, Seward; E. L. Crellin, state agent Fidelity-Phenix; W. F. Harding, Springfield F. & M.; A. H. Brown, Springfield F. & M.; State Senator Axtell, insurance agent of Fairbury; C. M. Empson, Chappell; J. B. Ollis, Ord; C. A. Johnson, Ord.

## Commissioners' Committee Makes Statement Changes

### MAINLY ON INVESTMENT SIDE

New Item for Deposits in Suspended Banks—Change Wording on Interlocking Ownership—No Marine

The committee on blanks of the National Convention of Insurance Commissioners has sent out to the companies its report on changes made in the regular convention form of statement filed by the various classes of companies. This report has been approved by the executive committee of the convention, making it under the regulations of that organization the act of the convention itself.

Most of the changes made are in connection with the investment schedule. One item of interest in connection with the present financial situation is the addition of a new non-admitted asset item: "Deposits in suspended banks, less \$..... estimated amounts recoverable." It is stated that this is included because otherwise companies may be taking credit for deposits which will never be recovered.

#### Interlocking Ownership Item

A change is made in the wording of the item relating to interlocking stock ownership. The question formerly read: "What interest, direct or indirect, has this company in the capital stock of any other insurance company?" It is now changed to read: "Is the company directly or indirectly owned or controlled by any other company or corporation and/or group of companies? If so, give full particulars."

In the fire company blank a new section is provided in the underwriting exhibit, for loss adjustment expenses. A report on the "percent of loss adjustment expenses incurred to premiums earned" is required in addition to the similar report on the losses themselves.

#### No Marine Insurance Definition

In view of the marine profits law of certain states affecting ocean marine insurance, the committee was requested to prepare a definition of ocean marine insurance to be inserted in the stock fire blank. It was suggested that this change would result in uniformity in classifying ocean marine as against inland navigation and transportation. The com-

## Hartford Is General Agent for the Kansas City F. & M.

KANSAS CITY, MO., July 22.—President Morton L. Jones of the Kansas City Fire & Marine announces that the western department of the Hartford Fire is now acting as general agent for his company in Ohio and Illinois. If the Kansas City F. & M. enters other states tributary to Chicago similar arrangements will be made. The Hartford Fire already has a reinsurance contract with the Kansas City F. & M.

### E. L. Swearingen Dead

LOUISVILLE, July 22.—E. L. Swearingen, chairman of the board of the First Kentucky Fire & Marine, also a trustee of the Northwestern Mutual Life, Milwaukee, board chairman of the First National Bank, Kentucky Title Co., Kentucky Title Trust Co., First Kentucky Co., and Louisville Securities Co., died suddenly of a heart attack at his summer cottage in Cape May, N. J.

### Blows Train Off Tracks

WICHITA, KAN., July 22.—An unusual tornado loss occurred at Horace, Kan., July 16, when a string of box cars on the Missouri Pacific siding were blown onto the main line track into the path of a passenger train causing a serious wreck which killed three persons and injured others.

### Suburban Auto's Progress

In spite of business conditions President Edwin F. Deicke of the Suburban Auto of Lombard, Ill., reports a comfortable gain in premiums for the first six months over the corresponding period of last year. This company reflects keen management.

### Hyfield With Travelers

J. A. Hyfield, for 10 years with the Stone, Stafford & Stone general agency in Indianapolis, has joined the Travelers Fire's inland marine department at the home office.

mittee decided, however, that such a definition is not possible at this time, in view of the entire lack of agreement of the laws of the various states as to what constitutes ocean marine insurance and therefore requested that the matter be referred to the committee on laws and legislation of the national convention.

## Louisville Agency Is Pushing Original Value Auto Cover

### CIRCULARIZES SELECTED LIST

Considerable Interest Stirred Up by Plan Placed in Louisville F. & M., Similar to That of Federal

Much interest has been manifested at Louisville in a letter sent out by E. S. Tachau & Sons, Louisville local agent, offering to underwrite the full paid value of automobiles, and pay losses on that basis, regardless of depreciation. The plan is not new, as Tachau & Sons have been using it two years and eight months, during the first year placing the business in the Tachau-owned company, the Louisville Fire & Marine, which reinsured all of it. A 16 percent loss ratio on earned basis was reported.

#### Federal Uses Plan

The Federal of Jersey City has been selling fire and theft on automobiles on such a basis for years. Chubb & Son, New York, managers of the Federal, have built up a good business in large cities by selecting agents carefully. The plan is said to have proved successful for 15 years. This business is written through the inland marine department.

Tachau & Son are using the same general plan in their agency and in small (CONTINUED ON PAGE 39)

## Century Lines Are Reinsured

Decision Reached to Place All Business of Brandt & Co. Agency in Commercial Union Group

SAN FRANCISCO, July 22.—W. B. Brandt & Co. state that following a series of conferences with officials of the Century and Commercial Union, it was decided, due to the fact that the majority of insurance business controlled by W. B. Brandt & Co., is transacted with the Commercial Union group of companies, that the Century reinsure the entire business placed with that company by Brandt & Co., with the Commercial Union group.

The reinsurance deal was effective July 1, the Commercial Union assuming all outstanding liability and guaranteeing all losses on policies of the Century issued by Brandt & Co. The deal does not affect fire, automobile and allied lines of the Century east of the Rocky Mountains, according to the announcement. July 1, W. B. Brandt & Co., was appointed general agent for the inland marine department for all the Commercial Union companies. It has been general agent for the all-risk department for several years.

The general agency also has been appointed general agent for the Mercantile Fire & Marine Underwriters of the American Central in California for fire, automobile and allied lines, and application for approval of this appointment is now before the Pacific Board.

### Spencer General Manager

W. J. Spencer, president of the Farmers Union Mutual of Salina, Kan., has assumed the position of general manager as well as president. C. A. Broom, formerly secretary and general manager, died recently.

### Soliciting Truck Transit Lines

The use of trucks in moving householders is now a very common thing when people are going from one city to another. Local agents can arrange for truck transit insurance covering household goods, however they are transported. All the perils are insured against and for an additional premium theft of an entire shipping package is covered, but pilferage is not.

## CONDENSED NEWS OF WEEK

Commissioner Herdman of Nebraska will hear all arguments July 31 in the action brought by three agents against nine companies, charged with improperly conducting separation activities. **Page 4**

Leading company seeks alliance with competitors in withdrawing from consistently bad loss ratio centers. **Page 3**

Amended agency qualification law of Florida, providing enforcement features, is the only insurance bill to pass regular and special sessions of the legislature of that state. **Page 3**

Considerable interest stirred up by Louisville local agency's campaign on full original value auto insurance. **Page 30**

Decline in value of securities shows its effect in semi-annual statements that have been issued. **Page 3**

General Manager Bennett of the National Association of Insurance Agents extends his hearty endorsement of the Insurance Executives Association, now in process of organization, in address before the Buffalo Association of Fire Underwriters. **Page 4**

Compensation Insurance Rating Board is preparing to ask the New York department for an increase in compensation rates effective Sept. 1. **Page 27**

Nineteen states now have laws limiting recovery of automobile guests in accidents. **Page 27**

Receiver is appointed for the Casualty Association of America with head office in Detroit. **Page 27**

Dr. H. J. Stack of the National Bureau of Casualty & Surety Underwriters, analyzes causes of automobile accidents. **Page 27**

Cases are found where employers are encouraging malingering in compensation injuries. **Page 6**

A. S. Caldwell, former insurance commissioner of Tennessee, will continue as secretary of the National Convention of Insurance Commissioners and chairman of the committee on examinations until the annual meeting at Portland. **Page 5**

Committee on blanks of Insurance Commissioners Convention announces changes in annual statement forms. **Page 4**

New compensation problems grow out of depression. **Page 29**

Executive Vice-president William B. Mann of the Central West Casualty has resigned. **Page 29**

The Federal Surety of Davenport is now developing a producing agency plant. **Page 29**



## Drive to Collect Agency Balances

Many Local Men Lose Funds in Speculative Real Estate Ventures

COSTS \$3 FOR EACH POLICY

Seriously Discuss Advisability of Designating Premiums as Trust Funds in Agency Control

NEW YORK, July 22.—Company officials are making a drive to collect agency balances. Offices that have been exceedingly liberal in their time allowances are now insisting that agents settle under the terms of their contracts, preferring the return of their agents' supplies rather than to extend credit.

One of the difficulties encountered by companies in making collections, notably in the New York suburban and New Jersey fields, is the considerable number of agents, who during the period of excessive real estate development, invested heavily in land ventures, anticipating that they would realize substantial profits in consequence. With the heavy drop in land values, investing agents found themselves completely tied up with scarcely income to defray current operating expenses. Though appreciating these difficulties which the local men of this type are encountering, company executives fail to see why they should suffer by having money due them, invested in speculative ventures. They are seriously discussing the advisability of reforming the agency contract so that money paid as premiums should be considered as trust funds, and not be allowed to mingle with the individual accounts of agents.

### Costs \$3 to Issue Policy

In the course of an article in the house organ of the Home of New York, entitled "Collect—or Cancel," it is stated that "among the fire companies operating in New York state it has been calculated that the average company cost of issuing a fire policy is in the neighborhood of \$3. This means the initial cost of the policy instrument, and includes mapping, clerical labor, etc. \* \* \* An application frequently requires an inspection by a special agent, and possibly a mercantile report is desirable, all of which are factors in the cost. \* \* \* Credit, like advice, is a delicate thing. It is also sometimes a dangerous thing, and it should be extended only where necessary and desirable."

### Warner on Radio Friday

Superintendent Warner of Ohio will speak over Station WAIO, Columbus Friday night at 7 o'clock. Mr. Warner's address will be of great interest to the people of Ohio and especially to all representatives of insurance companies. He is expected to say something about dealing with companies unauthorized to do business in the state.

### Wright Arrives on Coast

SAN FRANCISCO, July 22.—C. C. Wright, resident vice-president of the American Indemnity and American F. & M. arrived Tuesday in San Francisco to establish offices. Mr. Wright in assuming this post returns to his former home where he was assistant secretary of the Fireman's Fund and manager of the Pacific Coast Automobile Underwriters Conference prior to joining the Constitution Indemnity as vice-president.

## Commissioners Plan for the Annual Meeting

NASHVILLE, TENN., July 22.—Insurance Commissioner Jess G. Read of Oklahoma, who is president of the National Convention of Insurance Commissioners, was in Nashville this week conferring with Secretary A. S. Caldwell regarding the annual meeting at Portland. Mr. Caldwell was catapulted out of office unexpectedly last week, but on request of President Read and members of the executive committee of the National Convention of Insurance Commissioners he will continue to act as secretary and chairman of the committee on examinations until the annual meeting. Mr. Caldwell is maintaining his headquarters at the Hermitage hotel in Nashville. The governor seemed to have made a promise during the legislative session that he had to fulfill, and sacrificed Mr. Caldwell. Mr. Caldwell had returned from a short vacation with his daughter at St. Simons Island. The governor had given assurances from time to time that he would not be disturbed. About the only excuse offered was that Commissioner Caldwell had held the office for eight years and he had to give it to someone else. Mr. Caldwell got in touch with President Read immediately after he had resigned. President Read communicated with Commissioner Boney of North Carolina, chairman of the executive committee, who also expressed the hope that Mr. Caldwell would retain his position with the convention until the Portland meeting. Commissioner Boney at once got in touch with other members of the executive committee and all were in favor of this program.

## Tennessee Commissioner Is Doctor of Philosophy

Joseph I. Reece of Johnson City, Tenn., who becomes the new Tennessee insurance commissioner, graduated from Carson-Newman College in 1908 and later took degrees at the University of North Carolina and Harvard. Recently he has been at the University of Chicago, getting his Ph.D. degree. He was superintendent of schools at Clearwater, Fla., for eight years and for the next five years was dean at Carson-Newman college. He has not been active in politics.

### Field Is Now Filled

The impression has prevailed that since Special Agent W. B. Robertson of the Reliable Fire of Dayton went with the North America in Kentucky it left a vacancy in Ohio for the Reliable. Mr. Robertson had been traveling in Indiana and Michigan a number of months for the Reliable previous to making his connection with the North America, filling the vacancy caused by the death of Special Agent A. R. Krisendorfer last December. H. J. Favorite is the Reliable special agent in Ohio. Now Michael Kraus, who formerly was with the Milwaukee Mechanics in Ohio, takes the Reliable in Michigan and Indiana.

### Finds Conditions Better

D. W. Pierce, executive vice-president and general manager Pacific American Fire of Los Angeles, has just returned from a tour of six weeks in the east. He found business conditions somewhat improved and more building in sight. He hazards the opinion that the depression is not so great in the west.

A proposed constitution and by-laws have been drafted for the South Dakota Fire Prevention Association, for adoption at the next regular meeting.

## Kentucky Bureau Offers Veiled Rate Suggestion

LOUISVILLE, July 22.—The Kentucky Actuarial Bureau has offered a veiled suggestion to the companies to remedy the present untenable situation in Kentucky as regards loss ratios on ninth and tenth class unprotected properties, in what is said to be the very first suggestion of its kind that has been made. Companies have withdrawn from states where rate conditions were unsatisfactory, but discontinuing writing certain classifications state wide, because adequate rates could not be had, is said to be a new idea.

### Could Not Get Action

The bureau has been worrying with the Kentucky Department of Fire Prevention & Rates for several years past for increases in rates on unprofitable lines. Back in 1926 the companies announced a 12½ percent flat increase on all classes. The matter was battled through the courts and while the companies finally lost the case, they retained a part of the increase collected. Today the rates are back to the same levels as in 1926. The state department has steadfastly refused any relief whatsoever. The farm properties, small unprotected towns, etc., apparently provide many votes for politicians. Such classes have never paid a fair return. However, it has been found impossible to advance such rates, and other classes, that pay adequate rates, have carried the burden.

### Letter from the Bureau

We call to your attention, for such use as you may see fit, the fire experience on unprotected business, 9th and 10th classes, in Kentucky, for the five-year period of 1925-1929 inclusive. These figures are from the official files of the state department of fire prevention and rates:

Dwellings .....	84.14
Mercantile buildings .....	71.09
Mercantile contents .....	71.77
Farms .....	71.94
Mining risks .....	64.18

In compromising our rate case you retained an increase of 12.5 percent over

the published rates from April 1, 1927, to April 1, 1928, and a 6 percent increase (on most of this property) over the published rates from April 1, 1928, to Dec. 31, 1930. Had it not been for this increase in premiums, your loss ratio would have been much greater. Since the first of this year you are writing a large amount of this property at 6 percent less than you obtained last year. The department has not completed the figures by classes for 1930, but the record for fire business for the entire state is slightly in excess of 66 percent. Indications are that 1931 will be worse.

These loss ratios show conclusively that the rates on this property are hopelessly inadequate and after arguing with our authorities for many months, we regret to advise that there is no immediate prospect of any relief.

### Matter Up to Companies

The Bureau now puts the matter up to the companies. The letter was sent to companies and field men. It shows conclusively that there was no profit in writing such classes over a five year period, and that there will be more loss in 1931. The Kentucky law provides that the companies be permitted to charge rates to produce a reasonable profit, but the Kentucky authorities fail to comply with the law.

The National Association of Insurance Commissioners has recommended that companies be permitted rates that would assure a 5 percent underwriting profit and 3 percent reserve to be set up to care for conflagrations. Arkansas accepted that theory, which was upheld by the Arkansas supreme court. Kentucky apparently doesn't believe in any program that would affect the farmer.

### What Would Be the Results?

If companies refrain from writing these two classes at the present rates, what would result?

First the owners of such properties would raise an awful howl at Frankfort for advanced rates, enabling them to secure insurance protection. Next the

(CONTINUED ON PAGE 39)

## N. B. C. to Carry Farm Fire Prevention Story 12 Weeks

Announcement is made by I. D. Goss, chairman of the radio committee in the interest of farm fire prevention, of an arrangement with the National Broadcasting Company for a series of broadcasts beginning Sept. 4, and running for twelve consecutive weeks. This program is the most ambitious which has yet been undertaken for bringing this important subject to the attention of the farmer. Through this network the fire prevention message will be carried to stations at all important centers in the United States east of the Rockies and is therefore assured of practically a nation-wide audience.

It is not the plan of the radio committee to put on a series of talks on fire prevention, but rather to make a stronger appeal by offering at each appearance a dramatization, with music, featuring some important fire hazard on the farm. In the preparation and presentation of these programs the radio committee will make use of the staff of the National Broadcasting Company, but under the general supervision of Harry K. (Smoky) Rogers, whose experience in this field is well known.

Other members of the radio committee are D. J. Price, U. S. department of agriculture; Harry K. Rogers, Western Actuarial Bureau; A. C. Page, "Prairie Farmer"; T. C. Wheeler, Indiana "Farmers' Guide"; R. E. Vernor, Western Actuarial Bureau; Wallace Rogers, agricultural committee; E. N. Hopkins, Meredith Publishing Company.

## Managers Urge Agents to Sell the Specialty Lines

NEW YORK, July 22.—With the premium income of the average company still falling off, notably in the western and southern fields, managers are stimulating their agency forces to sell the specialty lines, and are supplying every possible aid in such direction. They are not only furnishing abundant publicity matter but the personally services of special agents as well to aid in solicitations.

### Ross Facilities Extended

NEW YORK, July 22.—The Monarch Fire of Cleveland has named the F. H. Ross Agency of this city its representative for the acceptance of country wide risks granting it full binding facilities. The agency has represented the company in the New York metropolitan and suburban fields for some time.

### Baltimore Group Meets

BALTIMORE, July 22.—The Association of Fire Underwriters of Baltimore held its quarterly meeting last week. Several changes were made in the rules of the association used for guidance of members of the organization.

### Severe Hail Storm

During a severe storm in the vicinity of Carnduff, Sask., July 15, hail caused a severe loss to the crops, some farmers asking for 100 percent hail insurance.



## New Florida Qualification Law Has Enforcement Angle

### PROSECUTION FUND PROVIDED

#### Amended Statute Is Only Insurance Bill to Pass Regular and Special Sessions of Legislature

The amended agency qualification law has the distinction of being the only insurance bill that has passed the regular and special sessions of the Florida legislature, now half way through the second called session of the year. It was backed by the local agents of fire and casualty companies and went sailing along to passage with little notice and without opposition. Agents suggested the special tax to provide an enforcement fund.

Notable changes from the old law operate to make clear what "an insurance agent is," and to provide a fund for prosecutions and investigations by the department of insurance, previously lacking in both definite authority and carrying costs. Upon each agency is levied a tax of \$6 a year (only one such tax, not for each company represented) to go into a separate fund for carrying out the provisions of the law, and usable for no other purpose.

#### Definition of Agent

In section 1, an agent is defined as a person who solicits insurance upon a commission basis, including members of partnerships lawfully holding agency appointments, but not including any one on salary basis, no matter what relation to agency or copartnership.

A solicitor under the bill is a person employed by a duly authorized agent, "primarily to solicit on a strictly commission basis," and as in case of agent, no license will issue to any one on a salary basis.

Sec. 2 provides that only those licensed can engage lawfully in the insurance business, such license being issued by request of the company appointing, but any contract placed by an unlicensed agent and accepted shall be binding on the company if otherwise valid.

#### Filing of Application

Each applicant for authority shall file with the department of insurance his or her application, with sworn answers to questions on blank provided, and the endorsement of a licensed agent that he knows applicant, that he or she has answered questions correctly, is of good reputation and worthy of the license. An agent is required to file only one such paper no matter how many companies represented, but must be licensed for each company.

The enforcement fund is called a "qualification tax" and shall be paid only once, irrespective of how many representations an agency may have, and can be used only for enforcement of the law.

Each first time applicant, and in the discretion of the commissioner, each applicant for renewal, is subject to examination by the department either by mail or personal hearing in the county of his or her residence, covering the following provisions: Payment of qualification tax; good business reputation and such character as to assure no detriment to the public; freedom from charges of rebating; experience and training in insurance lines; reasonable familiarity with insurance laws and policy contracts; intention actively to engage in the insurance business in good faith, and not simply to write the insurance of a member of his or her family or some partnership or business with which he or she might be connected.

Licenses expire as of Sept. 30, and at any other time on request of principal requesting that license be cancelled.

Under Sec. 6, investigation of the conduct or the qualifications of an agent or solicitor may be made by the com-

missioner or upon the written complaint of a citizen. In case of inquiry being ordered books and records of accused must be open for inspection, and the examining officer would have the right to examine under oath. In case of suspension of license the accused agent, or his company would have 30 days to appeal. If no appeal or answer is filed in 30 days, license is revoked, though the person aggrieved would have right to ask the courts to have the commissioner show cause within 30 days after suspension.

## W. R. Crouse Asks Insurance Aid for Farm Legislation

W. R. Crouse, secretary Farmers Union Mutual of Des Moines, in his address recently before the Northwestern Association of Mutual Insurance Companies at Minneapolis, urged the insurance interests to throw their support behind measures for agricultural relief for the promotion of agricultural prosperity. Insurance, according to Mr. Crouse, could gain the abiding good will of the agricultural population, including trades people, by energetically supporting farm relief legislation.

"Looking at the matter purely from a selfish standpoint," Mr. Crouse declared, "we are interested in the financial success of the people whom we represent in order that our loss ratio may not mount, and our policyholders be able to pay their obligations to us. How better can we accomplish this purpose than to assist the farmer in getting cost of production for his product, thus enabling him to meet his obligation? And if this can be done we need have no fear of our policyholder not being able to take care of his premium."

"The condition of agriculture affected the successful writing of farm insurance several years before it began to react on other lines, and it has been extremely difficult over the past ten years successfully to handle this class of risk. Many companies which formerly were large farm underwriters have entirely discontinued this class, and it was only by a rigid system of inspection and careful underwriting that farm insurance has shown a profit to the companies which are still accepting applications.

"We need but to read our insurance journals and note the constant increase in the fire loss ratio to visualize the road that all fire insurance will travel in the agricultural districts if something is not done to check the loss which the farmer is sustaining."

"Your Opportunity to Earn More," a free booklet for A&H men. Write The National Underwriter, Cincinnati.

## Open Largest Dock Sprinkler

New Orleans' new wharf sprinkler system, the largest port sprinkler plant in the world, has been completed and dedicated. The 118,000 sprinklers covering 27 dock units, are said to be capable, when in full operation, of releasing 2,234,000 gallons of water per minute. "Never again," the governor said, "will the port of New Orleans be retarded by the devastating dock fires which in the last 20 years have cost the port more than \$20,000,000."

The system completes fire protection of the city's 52 miles of harbor frontage, insuring safety of merchandise filling warehouses and docks along nine miles of the frontage. The governor said the modernizing of New Orleans has brought fire insurance rates down from \$1.04 to 28 cents.

Fire Chief Evans expressed satisfaction of the department and gave a joint wharf hose and fireboat exhibition.

#### Vast Extent of System

The new system provides for sprinkler protection of docks in sheds, under sheds and under all open docks, with

## Hartford Shifts Ohio Field

### P. S. Beebe Made Underwriting Superintendent—Moss, Wisconsin Special, Also Sent to Chicago

With the elevation of P. S. Beebe from Ohio special agent for the Hartford to underwriting superintendent in the western department office at Chicago, the Hartford has rearranged its Ohio field. Mr. Beebe has been in the service of the Hartford since 1920, before that having been connected with the Ohio inspection bureau.

A change in the southern Wisconsin field is also announced. T. S. Moss, special agent in that territory, being transferred to the Chicago office as underwriting superintendent, and being replaced by Thomas Larkins, adjuster in Minneapolis for the Hartford, who has been connected with that organization since 1918. Mr. Moss has been a Hartford man since 1922, previously having been assistant manager of the Missouri inspection bureau.

In Ohio, John L. Meyer, who formerly traveled the western part of the state with headquarters in Columbus, has been switched to Cleveland to take charge of Mr. Beebe's field in northeastern Ohio.

Willard C. Welsh, who formerly was an automobile and inland marine special agent, has been transferred to Columbus from Cleveland to become a recording special agent assisting R. H. Cooper, who now takes over part of western Ohio in connection with his central Ohio field.

R. N. Merrill, who has been a special agent assisting Mr. Cooper and Mr. Meyer, is now given an independent field in southwestern Ohio with headquarters in Columbus.

#### ILLINOIS REALIGNMENT

The Hartford Fire and Citizens have rearranged their Illinois field. Heretofore there have been five divisions in the state but hereafter there will be three. Fred W. Sundlof of Chicago takes the northern part of the state for the Hartford Fire recording agencies. Lyman Sandine of Chicago takes the Hartford survey agencies, the Citizens and the Kansas City F. & M. in the northern section, the Hartford now acting as general agent for the Kansas City F. & M.

W. B. Tobias of Peoria takes the Hartford recording department for cen-

tral Illinois. Brice Draper of Chicago takes the Hartford survey agencies, the Citizens and Kansas City F. & M. in the central section. He is a new man in the field, now being examiner in the western department. He is a graduate of the Northwestern University insurance course.

A. J. Sicher of Bellville handles all the business for the companies in the southern section.

#### M. B. Yager

M. B. Yager, special agent of the Pacific, Bankers & Shippers and New Jersey in Indiana, has had Michigan outside of Wayne county added to his territory. He has established headquarters at 129 South Main street, South Bend, Ind. Mr. Yager formerly traveled for the Firemen's in Indiana.

#### A. A. Sours

A. A. Sours has resigned as special agent in southern Illinois and St. Louis for the National Liberty, Baltimore American, Peoples National and Washington Underwriters. He had been connected with those companies for about two years after having served with the National Union, before that with the Pacific Coast Adjustment Bureau at Fresno, Cal., and prior to that with the Underwriters Adjusting at St. Louis. His headquarters with the National Liberty were at St. Louis.

The National Liberty's affairs in Illinois outside of Cook county are now exclusively in charge of W. L. Schreiber of Peoria.

#### J. G. McFarland

J. G. McFarland, Kansas special agent for the American, has been assigned the northern half of Oklahoma in addition to his territory in the southern half of Kansas. Headquarters are being continued with R. A. Gamble, Kansas state agent in Wichita.

#### R. G. Blair

R. G. Blair of Peoria, special agent of the Caledonian in Illinois outside of Cook county and north of Vandalia, has resigned. He also handled St. Louis County, Mo.

Mr. Blair becomes Illinois state agent for the State of Pennsylvania, succeeding George A. Brown, who has resigned on account of ill health. Mr. Blair has his headquarters in 307 Peoria Life building, Peoria, Ill.

## South Dakota Field Rally

SIOUX FALLS, S. D., July 22.—At the annual meeting of the South Dakota Fire Underwriters Association, W. H. Mashek, Northwestern F. & M., was elected president; J. A. Stoen, Security of Connecticut, vice-president, and W. W. Boardman, Liverpool & London & Globe, secretary. L. G. Sties, North America; Arthur Bell, Hartford Fire, and C. P. Dalbey of the Alliance were elected on the executive committee.

## Revise Marine Rates

WINNIPEG, July 22.—Insurance rates on shipping via the Hudson Bay route will be subject to a reduction of one-half percent, according to word received from London. The British hull committee, which is responsible for the reduction, is reported also to have agreed to extend the sailing limit from Churchill to Oct. 7 for an additional 10 percent, and up to Oct. 15 for an additional 25 percent on the rates. The new basic rate will be 3.5 percent instead of 4 percent on vessels valued at \$50 per ton, though the reduction is contingent upon the operation by the government ice breakers and radio direction-finding equipment.

## NEWS OF THE COMPANIES

### America Fore Fleet Reports

#### Mid-Year Exhibit Indicates General Percentage Decline in Assets, Surplus Since December 31

The mid-year statements of the America Fore fire companies are interesting as being indicative of the percentage decline in assets and surplus since Dec. 31, which has undoubtedly occurred among all of the large, conservative companies.

Total assets of the Continental as of July 1 were \$85,225,089, compared with \$88,389,396 as of Dec. 31. Unearned premiums July 1 were \$25,957,704, as compared with \$26,044,777 on Dec. 31. Capital July 1 was \$19,495,839 and net surplus \$32,395,475 as compared with \$34,972,752 on Dec. 31.

#### Fidelity-Phenix Exhibit

Total assets Fidelity-Phenix July 1, \$68,192,486 as compared with \$71,206,275 on Dec. 31; unearned premium \$25,957,704 July 1, as compared with \$21,840,660 on Dec. 31; net surplus July 1, \$26,675,532 as compared with \$28,481,063; capital \$13,859,193.

Total assets Niagara July 1, \$23,453,075, as compared with \$24,389,014 on Dec. 31; unearned premiums, \$8,473,454 as compared with \$9,050,516; net surplus \$8,416,685 as compared with \$8,352,780; capital \$5,000,000.

Total assets American Eagle \$13,638,036 as compared with \$14,196,687; unearned premiums \$5,488,799 as compared with \$5,839,872; net surplus \$6,091,048 as compared with \$6,163,179; capital \$1,000,000.

Total assets First American \$3,935,190 as compared with \$3,977,823; unearned premium \$1,138,438 as compared with \$1,107,264; net surplus \$1,598,060 as compared with \$1,672,545; capital \$1,000,000.

Total assets Maryland, \$2,695,177 as compared with \$2,737,130; unearned premium, \$432,727 as compared with \$427,453; net surplus \$1,158,932 as compared with \$1,195,003; capital \$1,000,000.

### Lumbermen's Mutual Figures

The July 1 statement of the Lumbermen's Mutual of Mansfield, O., shows assets \$2,351,713, premium reserve \$1,329,956, net surplus \$867,103. The increase in surplus since Jan. 1 is \$42,663. A permanent fund of \$200,000 invested in bonds and deposited with the Ohio department for the benefit of all the policyholders is included in the surplus. The Lumbermen's Mutual started in business in 1895.

### Citizens Fund Mutual Election

R. H. Boxrud, one of the oldest and leading dry goods merchants in Minnesota, has been elected president of the Citizens Fund Mutual of Red Wing, Minn., to succeed the late H. L. Hjermstad, who died June 29 from a heart attack. Mr. Boxrud is president of the Boxrud Company of Red Wing. Hjalmar Hjermstad, secretary of the Citizens Fund Mutual, who has been associated with the company for 12 years, was elected secretary and general manager. There are no other changes in the company.

### Pacific American Fire

The Pacific American Fire of Los Angeles for the six months ended June 30, the third year of its operation, showed \$152,000 net profits before a non-recurring charge-off of \$40,000 to contingent reserve and \$10,000 for federal income tax reserve. Net earnings after these charges amounted to \$102,000, or approximately \$1 a share on the 105,000 shares outstanding. No dividends have been paid since the com-

pany started, so profits were credited directly to surplus, raising this to \$3,370,000. Fire loss ratio in 1930 was 29.5 percent. Contingency reserve goes up to \$200,000, reserve for unearned premiums \$542,000, gross premiums written in the six months \$518,000, against \$506,000 in the first half of 1930.

### National Union, Washington, D. C.

Albert F. Fox has been reelected president of the National Union Fire of Washington, D. C., for the 30th consecutive year. He is 86 years old, having been born in York County, Pa., Dec. 22, 1845. In Washington his first work was in a real estate office. In 1876 Mr. Fox opened his own office, then he became vice-president of the Columbia National Bank, holding that position for 25 years. The stockholders filled two vacancies on the board caused by death; John Saul, of the B. F. Saul Company, was chosen to succeed his father and J. P. Schick, president National Mortgage & Investment Corporation, succeeded the late H. G. Johnson. W. S. Pratt, Jr., was chosen vice-president, succeeding the late B. F. Saul, and J. B. Larner, president Washington Loan & Trust Company, also was named vice-president.

## Company Notes

The South Carolina has been licensed in Indiana.

The Industrial Fire of Akron, O., has reduced its dividend to 10 cents a share quarterly, placing it on a 40 cent basis as compared with 60 cents heretofore.

The Central Fire of Baltimore has been licensed in Kansas, Wisconsin and Oregon. Kansas and Wisconsin will be handled through the western department and Oregon through the Pacific Coast department. Admission to Arizona has been applied for.

## INSURANCE STOCK QUOTATIONS

By H. W. Cornelius & Co., 105 South La Salle St., Chicago, as of July 20

Stock	Par	Div. per Share	Bid	Asked
Aetna Cas. ....	10	1.60	75	80
Aetna Fire ....	10	2.00	42	44
Aetna Life ....	10	1.20	43	45
Agricultural ...	25	4.00	95	100
Amer. Alliance ..	10	1.60	24	26
Amer. Equitable ..	5	1.20	11	13
American, N. J. ..	5	1.00	15	17
Amer. Surety ...	25	6.00	50	53
Automobile Amer.	10	1.20	26	28
Baltimore Amer. ..	5	3.50	10	11 1/2
Bankers & Ship. ..	25	3.50	100	105
Boston .....	100	14.00	475	500
Brooklyn .....	5	1.20	10	12
Carolina .....	10	1.50	23	25
City of N. Y. ....	100	16.00	240	270
Continental Cas. ..	10	1.60	26	28
Fireman's Fund. ..	25	5.00	80	82
Fireman's F. Ind. ..	...	...	31	34
Firemen's .....	10	2.20	22	24
Franklin .....	5	1.60	21	23
Glens Falls ....	10	1.50	41	44
Globe & Rutgers...	100	24.00	490	515
Great Am. Fire. ..	10	1.60	25	27
Great Am. Ind. ...	10	...	16	18
Hanover .....	10	1.60	27	29
Harmonia .....	10	1.50	23	25
Hartford Fire ...	10	2.00	56	58
Home F. & M. ...	10	2.00	30	35
Home, N. Y. ....	10	2.00	31	32
Homestead .....	10	1.00	17	19
Missouri St. Life ..	10	1.20	16	18
National Cas. ...	10	1.20	15	17
National Fire ...	10	2.00	53	55
National Liberty ..	5	.50	7 1/2	8 1/2
National Union ...	100	98	106	110
Northern, N. Y. ...	25	4.00	70	80
North River ....	10	2.00	34	36
N. W. National. ..	25	5.00	95	105
Occidental .....	10	...	17	19
Pacific Mut. Life ..	10	2.40	50	...
Peoples National ..	5	.50	5 1/2	6 1/2
Phoenix Ins. ...	10	2.00	64	66
Prov. Wash. ....	10	2.20	45	47
Springfield .....	25	4.50	98	104
F. & M. ....	25	6.00	150	158
St. Paul F. & M. ..	25	6.00	1150	1250
Sun Life .....	100	22.00	720	750
Travelers .....	25	4.00	41	46
U. S. Casualty ...	10	2.40	45	50
U. S. Fire .....	100	16.00	275	300
U. S. Mer. & Sh. ...	10	2.50	36	38
Westchester .....	10	...	...	...

\*Extra dividend paid.

## Definite Need for Good Insurance Newspapers

THERE is not merely a place for good insurance papers and journals, but there is a very definite need of them. They perform an important function. They should not be tolerated or accepted good naturedly as belonging in some vague way to the business of insurance, but they should be seen as performing an important function for the insurance business as a whole.

A good insurance newspaper disseminates important, valuable and even vital information. It keeps everyone informed regarding current events. It reports the trends and tendencies in the business. It records what is happening and predicts what will probably happen in the future. It outlines the new selling ideas that are developed by insurance producers everywhere. It does all this efficiently and impartially. It is not the house organ of any company or group of companies. It is to insurance as a trade, what a daily newspaper is to the population of a large city. If all insurance newspapers and journals were to cease publication, the effect on insurance as a business would be the same as if all daily newspapers were to be discontinued in a large metropolitan area.

The important and worth while insurance newspapers and journals influence and mold opinion, check radical tendencies and irregularities, crystalize opinion and make in general for a healthier and sounder condition than would be possible if insurance had no voice such as is given to it by the insurance newspapers. Any student of history knows that the country having a free and uncensored press is progressive, liberal and successful, and that the backward nations of the world are those either without a press or with newspapers that are rigidly censored and restricted.

Applying this line of thought to the insurance business, it may be said that insurance is decidedly better off with a number of good insurance papers than it would be if there were none at all, or (and this would be just as bad) if the leading papers were afraid to print all of the news or to record their opinions without bias. It should not be necessary to argue the place that good insurance newspapers have in the insurance business. They occupy a definite and important niche in the insurance scheme, and their place is recognized by those insurance officials who have taken the time to think about them and the work they are doing.

(Number 2 of a series devoted to the merits of National Underwriter advertising)

«»

## The National Underwriter

The leading weekly insurance newspaper

E. J. WOHLGEMUTH  
President



C. M. CARTWRIGHT  
Managing Editor





### COVERAGES EFFECTED

FIRE,  
AUTOMOBILE,  
TORNADO,  
RENTS,  
LEASEHOLD  
EXPLOSION,  
RIOT and CIVIL  
COMMOTION,  
PROFITS AND  
COMMISSION,  
USE & OCCUPANCY  
INLAND MARINE  
OCEAN MARINE

### Double Assurance Is Double Strength

Today—more than ever before—people are going to scrutinize carefully the character of the institutions whose product is a promise to pay. Whoever asks them to repose their confidence in any but those of unquestioned strength will be viewed with suspicion and distrust.

The Patriotic Insurance Company is a young growing company backed by the reliability of the oldest insurance office in the world, The Sun of London.

The dependable reputation of The Sun of London is known around the globe. Patriotic policies are doubly strong and the profits of Patriotic agents greatly increased by this close association.

# PATRIOTIC INSURANCE COMPANY of AMERICA

HEAD OFFICE  
55 FIFTH AVENUE, NEW YORK

OSWALD TREGASKIS, President

WESTERN DEPARTMENT  
WRIGLEY BLDG.,  
CHICAGO

JOHN F. STAFFORD,  
Manager

MARINE DEPARTMENT  
11 SOUTH WILLIAM ST.,  
NEW YORK

WM. H. McGEE & CO.,  
General Agents

PACIFIC DEPARTMENT  
SAN FRANCISCO

C. A. HENRY,  
General Agent

## VIEWED FROM NEW YORK

By GEORGE A. WATSON

### SIX MONTHS' LOSS RECORD

The fire loss record for the first half of the year as shown by the National Board is given in the following comparative table:

	1929	1930	1931
Jan. .	\$44,713,825	\$42,344,035	\$44,090,449
Feb. .	41,520,290	43,206,940	41,776,051
March	41,277,814	42,964,392	44,074,362
April	36,845,795	43,550,996	41,423,764
May .	32,129,408	38,415,142	37,835,273
June	33,605,663	31,818,266	33,368,378

Total \$230,092,795 \$242,299,771 \$242,568,247

The big fires for June were Joplin, Mo., two stores, \$200,000; Pensacola, Fla., lumber plant, \$125,000; Oklahoma City, lumber plant, \$100,000; Norfolk, Va., piers and wholesale district, \$1,000,000; baseball bat factory, Louisville, \$500,000; tile plant at Streator, Ill., \$250,000; four store buildings at New Orleans, \$160,000; water front buildings at Seattle, \$500,000; warehouse, etc., at New Bern, N. C., \$200,000; school at Sacramento, Cal., \$100,000; oil tank at El Dorado, Ark., \$200,000; tug and two oil barges at Sewaren, N. J., \$500,000; fertilizer plant at Albany, Ga., \$500,000; warehouse at Greenville, N. C., \$100,000; hotel at Macon, Ga., \$100,000; court buildings, etc., at St. John's, N. B., \$10,000,000; box factory at Brooklyn, \$100,000; various buildings at Atlantic City, \$300,000; theater, etc., at Hempstead, Md., \$100,000; stores at Cottonwood, S. D., \$100,000; warehouse at Winnipeg, \$200,000; factory in New York City, \$125,000; cafe, etc., at Topeka, \$100,000; hotel at Allenhurst, N. J., \$100,000; lumber plant at Birmingham, Ala., \$100,000; business district at Spencer, Ia., \$1,000,000; factory at Lincoln, Neb., \$125,000; glass factory at Indiana, Pa., \$100,000; oil works at Freedom, Pa., \$300,000; road house at Piermont, N. Y., \$140,000; 14 buildings at Mexicali, lower California, \$250,000; school supply concern at Richmond, Va., \$100,000.

\* \* \*

### FULL RETURN PREMIUM REQUIRED

Payment of the return premium in full, when so requested by the assured through his broker, without deducting the broker's return commission, is required of a company under decision of the court of appeals of New York state in *J. J. Newberry Company vs. Globe & Rutgers*.

The story is that the Newberry concern sent the policy to be canceled to Curtis, Hellriegel & Pereyra, requesting those brokers to seek cancellation on a pro rata basis.

One of the brokers had the policy canceled on the short rate basis, and accepted a check for the return premium less the broker's return commission. Then the brokerage house sent the assured a check, deducting an amount which it claimed was due in connection with the original premium. The assured did not cash this check but started suit

against the Globe & Rutgers for the full return premium.

The court held that the Globe & Rutgers must pay the assured the broker's return commission, which was deducted from the check. "Certainly," the court declared, "the defendant, in satisfying its own claim against the brokers, did not make a payment to the principal of the brokers, the plaintiff of an equal amount, and yet payment is the only defense made."

\* \* \*

### WARNER RETURNS TO U. S.

Harold Warner, United States manager of the Royal-Liverpool, London & Globe group, is due to arrive in New York City on the Aquitania from Liverpool July 25, following a visit of several weeks to the home offices of his companies.

\* \* \*

### McFALLS GETS NEW COMPANY

R. B. McFalls & Co. has been appointed New York metropolitan agent for the Peoples National of the Home fleet.

\* \* \*

### EAST SIDE DISCRIMINATION

Upon complaint of the East Side chamber of commerce Superintendent Van Schaick directed the New York Fire Insurance Exchange "to remove the unfair discrimination which is found to exist in the application of the extra charge to assureds" occupying buildings of superior type located in the district bounded by New Chambers street, Lafayette and Fourteenth streets and the East river. Basing its action upon the congestion there an additional contents charge of 50 cents was imposed by the exchange last April.

### Home of New York Figures

President Kurth of the Home of New York submits its semi-annual statement showing net surplus \$36,398,755, policyholders surplus \$60,398,755, premium reserve \$38,936,368, assets \$112,089,989. Of the assets, cash in banks and trust companies amounted to \$7,625,537; investments in government bonds \$8,883,840; state and provincial bonds \$2,007,450, county and municipal bonds \$10,352,584; railroad bonds \$10,539,175, industrial and other bonds \$9,059,700; railroad stocks \$19,508,500, bank and trust company stocks \$1,934,960, and industrial and other stocks \$29,799,829. The capital is \$24,000,000.

In the first six months, the income from interest and dividends on its investments increased at the rate of \$10,000 per month, as compared with the corresponding months of 1930. It is out of this income that the company for many years has paid its dividends. There has been no change in the dividend rate.

## NATIONAL ADJUSTERS, INC.

Adjusters and Investigators  
for Insurance Companies

PHONES:  
PLAZA 2126, 2127

CABLE ADDRESS  
"WEITEN"

21ST FLOOR BALTIMORE TRUST BUILDING  
BALTIMORE, MD.



*"The Oldest American Fire and Marine Insurance Company"*

*Founded 1792*



# Insurance Company of North America

PHILADELPHIA

*and its subsidiary companies:*

ALLIANCE CASUALTY COMPANY

THE ALLIANCE INSURANCE CO. OF PHILA.

CENTRAL FIRE INSURANCE COMPANY

INDEMNITY INS. CO. OF NORTH AMERICA

NATIONAL SECURITY FIRE INS. CO.

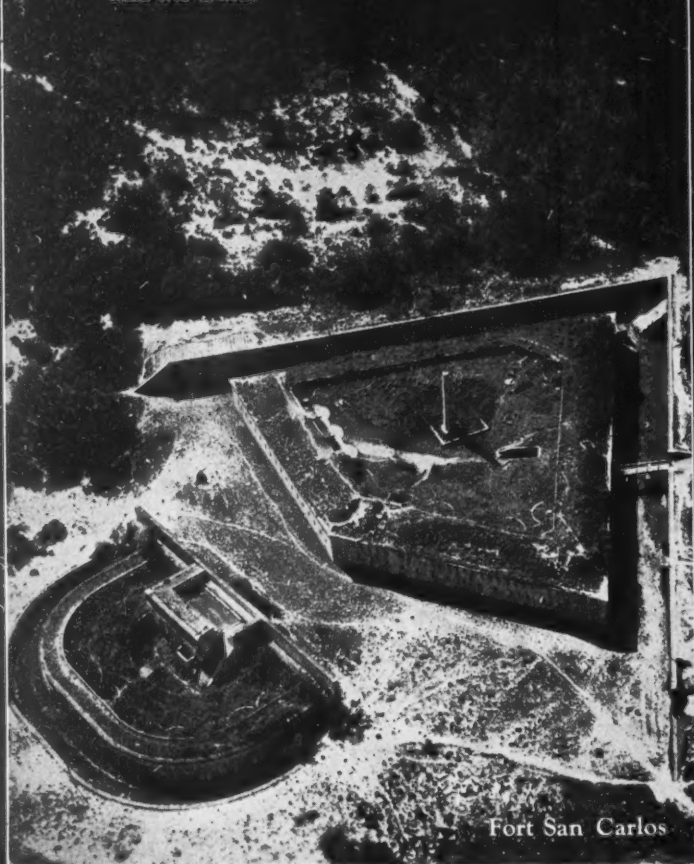
PHILADELPHIA FIRE & MARINE INS. CO.

*write practically every form of  
insurance except life*

North America facilities are now available in  
the Philippines, Porto Rico, Mexico,  
China and Great Britain

*Assets of North America Companies are more than \$118,000,000.00*

## 'Way Down South' and the Dixie



Fort San Carlos

## PENSACOLA

Florida

**A**LTHOUGH history records that Pensacola Bay was visited by Ponce de Leon as early as 1513; de Narvaez in 1528; de Soto in 1540, and de Luna in 1559, the first permanent settlement was made by the Spanish in 1696. Fort San Carlos built that year, still stands.

In 1719 it was captured by the French, but was restored to Spain in 1723. Destroyed by hurricane in 1754, it was rebuilt, and passed into British possession in 1763. During the Revolutionary War, it was taken by de Galvez, Spanish governor at New Orleans, though the trade remained in the hands of the English merchants. In the War of 1812, it was taken by Andrew Jackson, and in 1821 the whole of Florida was transferred to the United States. Pensacola was chartered as a city three years later.

Today, its excellent land-locked harbor is a port of entry, and the principal American naval air-station is located nearby. It has extensive fisheries, dry-docks, saw and planing mills, and ships large quantities of yellow pine. Surrounded by water on three sides, and enjoying a mild climate, Pensacola, with its 27 public parks, is a healthful place to live and work.

## The DIXIE

FIRE INSURANCE COMPANY

Greensboro, N. C.

Organized 1906

Surplus to Policyholders \$1,186,927.14

ONE OF THE AMERICAN GROUP

## AS SEEN FROM CHICAGO

### FIRST CHICAGO FIRE FIGURES

If first Chicago fire premium tax returns to the city comptroller are a criterion a slump of nearly 22½ percent occurred in the fiscal year June 30, 1930, to June 30, 1931. Preliminary figures for this period also indicate that premiums were 29 percent less than in 1929. Figures of a number of large companies writing on a large scale in Chicago are included in the incomplete list, so there is reason to believe the estimate is nearly correct. As a matter of fact, an unofficial estimate of city officials based on returns to date places the decrease for the period at 30 percent under the 1930 returns. Returns to date, with the 1930 and 1929 figures for comparison, are:

Company—	1931	1930	1929
Amer. Auto....	\$ 10,404	\$ 17,597	\$ 18,785
Amer. Mut....	1,749	2,081	2,366
Arkwright M....	2,518	16,029	18,478
Anchor.....	16,130	41,771	4,545
Amer. Home....	5,963	36,552	15,605
Belt Fire.....	716	344	.....
Carolina M....	1,701	2,137	.....
Columbia, N. J.	3,976	3,506	8,300
Enterprise M....	1,749	2,081	2,366
Eagle.....	23,389	14,160	18,003
Farmers, Pa....	43,488	65,353	81,339
Fire Assoc....	213,298	322,244	347,278
Fitchburg M....	1,016	890	2,861
Federal, N. J....	17,010	27,117	51,674
*Imper. Assur....	5,489	17,704	12,946
L. & L. & G....	260,650	255,990	302,735
Lon. & Scot....	39,616	38,382	38,906
Lon. Assur....	130,224	193,623	269,593
Lumber M....	8,936	6,469	5,307
*Lumb., Pa....	51,512	82,282	89,315
Manhat. F. & M.	43,174	43,444	70,068
Manfrs. M....	2,915	3,468	3,943
Mech. M....	1,749	2,081	2,366
Merchants, Colo.	16,192	33,729	19,011
Mill O. Mut....	17,650	18,986	23,666
Millers M., Pa..	2,982	4,178	.....
Marine (Ltd.)..	2,901	1,528	267
Merchants, N. Y.	156,243	249,241	274,108
Mark. Men's M.	1,112	1,465	3,600
Mut. Fire, Me..	989	.....	.....
Nat. Petr. M....	2,221	2,102	1,363
*N. Y. Und....	96,397	183,723	244,221
No. Assur....	150,917	180,475	176,449
N. W. Mut....	12,268	21,805	20,942
Norw. Union....	95,454	97,085	131,053
Nat. Impl. M....	1,071	854	1,258
*Nat. Un., Pa..	3,938	136,138	196,622
Nat. Jewel. M..	946	.....	.....
Nat. Mut. O....	36	.....	.....
Ohio Hdw. M....	898	811	767
Ohio Farmers....	30,762	33,344	41,374
Ohio Mut....	779	1,061	1,572
Pawt. M. Fire..	3,280	5,084	4,503
Prov. Wash....	109,235	102,365	128,086
*Peoples Nat....	10,401	57,415	47,618
Reliance.....	103,507	153,277	172,022
Rhode I. Mut....	2,915	3,468	3,943
Star.....	50,338	77,885	107,196
State Mut....	3,498	4,161	4,731
Standard.....	96,729	106,708	107,711
Sea (Auto)....	610	882	.....
Travelers.....	147,996	147,074	154,898
Unit. M. (Mass.)	34,851	21,925	20,900
Union M., R. I..	635	12,816	7,169
*Un. Firemen's.	49,954	112,077	116,864
Victory.....	14,441	58,130	98,929
Virginia F. & M.	38,745	59,195	67,868
*Wash. Assur....	1,977	29,245	35,881
Paper Mill M..	572	645	578
*Northern, N. Y.	57,438	143,357	171,652
Provident, N. Y.	12,739	.....	.....
State Assur....	26,014	33,983	17,356
Royal Exch....	32,933	29,522	49,722

\*Incomplete figures.

### PETTIGREW'S SON WEDS

Harold L. Pettigrew, who has been connected with the Underwriters Adjusting for about two years, was married Saturday evening to Miss Florence Stanelle of Oak Park. Mr. Pettigrew is a son of T. A. Pettigrew, general manager of the Underwriters Adjusting.

### PREMIUMS ARE REDUCED

Companies in the central western field find that their premiums are off quite a bit due chiefly to the decline in income from the big risks. For instance the various company syndicates are off in their premiums. They handle the large properties. It is found in the industrial world that many plants are shut down entirely or are working only on part time. This means that stocks are carried in much lower amounts. It is estimated that insurance values are off at least 33½ percent. In the smaller risks many persons cannot afford to carry insurance and hence are taking chances. Others are paying on the an-

nual rather than the term plan. Altogether the first six months did not show a roseate record by any means in the central west. Losses have kept down fairly well although with reduced premium income the ratio is higher than usual. Every effort has been made to keep expenses on a lower level.

\*\*\*

### MARK RECTOR CHANGES BASE

The head office of the Sprinklered Risk Underwriters and the Plate Glass Reciprocal Underwriters, both of Chicago, has been moved from 222 West Adams street to 4750 Sheridan road. A. T. Rector & Son is the attorney-in-fact for the two reciprocals. Mark Rector is president of the attorney-in-fact. He is a brother-in-law of J. S. Kemper, head of the American Motorists and Lumbermen's Mutual Casualty of Chicago.

\*\*\*

### W. E. HEIM LOSES WIFE

Walter E. Heim, manager of the fire department of the Lansing B. Warner reciprocals in Chicago, is receiving condolences for the death of his wife last week, killed instantly by an automobile a half block from her home. Mrs. Heim was well known in the Chicago insurance world, most recently having worked for the Cook County Loss Adjustment Bureau, and previously for the Northern, Zurich and R. W. Hosmer & Co. It was in the latter office that she met Mr. Heim, who for 15 years was counterman there. Her maiden name was Olga Koenig. The funeral was attended by many of her friends from the Insurance Exchange.

\*\*\*

### INSURANCE STOCK COMMENT

Commenting on the insurance stock market situation, H. W. Cornelius of Chicago says:

"Insurance stock market the past week was very inactive and price changes were negligible. The volume of trading was small, although there was a firm undertone and the market had good support at all times on any slight reaction. The European situation should show a decided effect on market conditions when the matter has finally been settled."

\*\*\*

### APPROVE CONSTITUTION, BY-LAWS

A constitution and by-laws for the proposed Chicago Insurance Agents Association was approved at a meeting Tuesday of the organization group, of which Hamilton Loeb of Eliel & Loeb is chairman. The constitution and by-laws set forth the purpose of the association, which will be made public at the same time the nominating committee makes its selections for chairman, vice-chairman, secretary, treasurer and eight other directors of the prospective organization. When the nominating committee completes its work, the call will be sent out to the commissioned agents of Chicago for a regular meeting.

\*\*\*

### WALTER GUSTAVESON IN CHICAGO

Walter Gustaveson, treasurer of the Fire Association companies, is in Chicago this week consulting with officials of the western department.

\*\*\*

Vice-President C. A. Rich of the Rosia of Hartford is spending a week or so in Chicago.

\*\*\*

J. J. Merkl of the brokerage firm of Spencer & Merkl, Chicago, is now spending a few hours each day at his office following an operation for appendicitis. Mr. Merkl was vacationing at Woodruff, Wis., at the time of the attack and was rushed to the Alexian Brothers hospital in Chicago. The operation was performed immediately by Drs. Karl I. Stevens and F. W. Baylor, surgeons well known to insurance people in that city.

# WHEN THE CAT'S AWAY—



**W**HEN the cat's away the mice will play. Remind your policyholders and prospects of the vacation time application of this old saying. The summer holiday period means empty dwellings which housebreakers find most attractive. They regard the vacation period as a golden opportunity for a cleanup. For that reason now is the time to tell every property owner in your territory the sad story of what happens to many an untenanted house when its usual occupants are holidaying on the hot sands or high peaks. Sell them the needed protection burglary insurance affords.

The Century Indemnity Company finds many ways to help its agents turn burglary prospects into policyholders.



THE AETNA

FIRE GROUP

AETNA INSURANCE COMPANY

THE CENTURY INDEMNITY COMPANY

THE WORLD FIRE AND MARINE INSURANCE COMPANY

HARTFORD, CONNECTICUT

PIEDMONT FIRE INSURANCE COMPANY - - - CHARLOTTE, NORTH CAROLINA



## THE NATIONAL UNDERWRITER

Formerly THE WESTERN UNDERWRITER

Published every Thursday by THE NATIONAL UNDERWRITER COMPANY, Chicago, Cincinnati, and New York. EDWARD J. WOHLGEMUTH, President; JOHN F. WOHLGEMUTH, Secretary; HOWARD J. BURRIDGE, Vice President and General Manager;

NORA VINCENT PAUL, Vice-President; WILLIAM A. SCANLON, GEORGE C. ROEDING and O. E. SCHWARTZ, Associate Managers

C. M. CARTWRIGHT, Managing Editor  
LEVERING CARTWRIGHT, Asst. Managing Editor  
FRANK A. POST, Associate Editor  
CHARLES D. SPENCER, Associate Editor  
DALE R. SCHILLING, Associate Editor

PUBLICATION OFFICE, A1946 Insurance Exchange, CHICAGO. Telephone Wabash 2704  
CINCINNATI OFFICE, 420 E. Fourth St., Telephone Main 5781, RALPH E. RICHMAN, Manager  
ABNER THORP, JR., Director Life Insurance Service Dept.

NEW YORK OFFICE  
803-123 William St., Tel. Beekman 3-3958  
GEORGE A. WATSON, Associate Editor

DETROIT OFFICE  
1015 Transportation Bldg., Tel. Randolph 3994  
J. A. PETERS, Resident Manager

SOUTHEASTERN OFFICE—ATLANTA, GA.  
1517 First National Bank Building  
R. J. McGEHEAN, Resident Manager

NEW ENGLAND OFFICE  
139 Summer St., Weymouth, Mass., Tel. Weymouth 2158-R, J. M. DEMPSEY, Resident Manager  
Entered as Second-class Matter April 28, 1928, at Post Office at Chicago, Ill., Under Act, March 3, 1879

Subscription Price \$4.00 a year; in Canada, \$5.00 a year. Single Copies 20 cents.  
In Combination with Life Insurance Edition, \$5.50 a year; Canada \$7.50



Associated  
Business Papers



National Publishers  
Association

### Loyalty in Insurance

R. F. G. GIDDENS of Helena, Mont., writes what might be called a lay editorial in a "Letter to Special Agents." This letter need not apply to special agents alone but to every person in the insurance business. In this day loyalty is a tremendously fine attribute. Referring to the late ELBERT HUBBARD, who was lost in the sinking of the "Lusitania" by a submarine before the United States entered the war, Mr. GIDDENS writes:

"I did not know ELBERT HUBBARD. Nevertheless he has written something in tune with my love for harmony, co-operation and incentive to climb the ladder of toil to success. Every word he wrote has a fine ring of sportsmanship and he shows in this fine piece on loyalty a caliber of mind and a quality of spirit that could well be plagiarized by us all."

"Loyalty," by ELBERT HUBBARD, follows:

"If you work for a man, in heaven's name work for him. If he pays wages

that supply you your bread and butter work for him, speak well of him, think well of him, stand by the institution he represents. I think if I worked for a man, I would work for him. I would not work for him part of the time, but all of the time. I would give an undivided service or none. If put to the pinch, an ounce of loyalty is worth a pound of cleverness. If you must vilify, condemn and eternally disparage, why, resign your position; and, when you are outside, damn to your heart's content. But, I pray you, so long as you are a part of an institution, do not condemn it. Not that you will injure the institution . . . not that . . . but when you disparage the concern of which you are part, you disparage yourself. And don't forget—I forgot! won't do in business."

"If that doesn't appeal to men who have chosen insurance as their career in life I don't know what could," Mr. GIDDENS says. The precepts are applicable in the insurance world.

### Becomes a Very Small Package

THE WASHINGTON NATIONAL INSURANCE COMPANY "Review" remarks that when a person is wrapped up in himself it makes a mighty small package. That is a true epigram. The man who centers his whole attention on himself and who allows himself to enter into every activity selfishly soon withers. The mo-

ment a man thinks of others and endeavors to do something for them he grows larger. Many persons apply everything that happens to themselves. They become sensitive and suspicious. They walk in a more narrow groove all the time.

The final consequence is a real disease.

### Power of Enthusiasm

THE "SILENT PARTNER" says: "In all the range of human vision no sight is so hopeful and helpful as to see a man bending his back or brushing up his brain with the energy of enthusiasm."

The fire of enthusiasm is the driving power in accomplishment. Back of every great success there is tremendous energy and ambition, always under control.

### Dealing With Shortcomings

MANY people are impatient with what they feel are shortcomings of other people. They criticize and condemn. They

have but little tolerance. At the same time it is usually the case that they are very patient with their own failings.

## PERSONAL SIDE OF BUSINESS

T. S. Ridge, Jr., of Kansas City, chairman of the executive committee of the Missouri Association of Insurance Agents, held his annual chicken barbecue last week at Lake Tapawingo in honor of members of the Missouri legislature from this section of the state, officials of the state insurance department, and President Percy H. Goodwin of the National association.

R. L. Simmons, formerly assistant secretary American Reserve, has joined the Newark agency of the Equitable Life of New York.

J. D. Cramer, deputy insurance commissioner of Indiana, is receiving sympathy of friends in the death of his father, who died at his home in Francisville, Ind., last Friday.

James Westerman Ray arrived last Sunday night in the home of James W. Ray, Indiana special agent of the Allemania. This inducts W. P. Ray, Indiana state agent of the Allemania, into the order of grandfathers. The baby and the grandfather are reported as "doing well."

Ernest Sturm, chairman of the boards of the America Fore companies, together with Mrs. Sturm and their son, K. E. Sturm, have sailed for Europe on the Conte Biancamano. They expect to return about the first of September.

In the recent tragic death of F. W. Fitzpatrick, prominent consulting architect of Chicago, who died in a few hours after being hit by an automobile while crossing the street near his home in Evanston, Ill., the cause of fire prevention lost an outstanding exponent. Mr. Fitzpatrick was the author of "Fire Prevention Day," which has grown from a "day" to a "week" and is observed not only nation-wide in the United States, but also throughout the Dominion of Canada. When the Chicago post office was being built, years ago, it was decided to make the laying of the cornerstone an outstanding event, and at Mr. Fitzpatrick's suggestion—he was then a government architect, hence his association with this building—the date was fixed for Oct. 9, the anniversary of the Chicago fire. The following year, Mr. Fitzpatrick advanced, through the daily papers of the city, the idea of observing this date annually as "Fire Prevention Day," making it the occasion of educating the public in the need of exercising special care in the matter of safeguarding their homes and places of business against the hazard of fire.

John Berwald, head of the Berwald Agency at Davenport, Ia., who died last week at the University hospital in Iowa City, was mayor of Davenport for two years ending 1918. He had been alderman from the third ward. He was 79 years of age and had been engaged in the steamship agency business since 1866. He it was who caused the Graf Zeppelin to land at Davenport, Aug. 28, 1929, on its world girdling tour. His son, Walter E., was associated with him in the Berwald Agency and will carry it on. His bronchial condition reached a chronic stage last fall and in the early part of June he was taken to the hospital at Iowa City. He was a native of Davenport, having been born there July 28, 1852. Mr. Berwald took Spartan measures to strengthen his health. He was a strenuous walker and for many years rode a bicycle about the streets even during the time he was mayor. He had pronounced views on insurance and did not hesitate to express his views to people higher up. In an editorial, the Davenport "Daily Times" said in part regarding him: "John Berwald became something of an institution locally. His distinguishing mark was sincerity. He possessed the quality in a degree which impressed

and inspired all with whom he came in contact. He grew up with Davenport and yielded to no man a greater love of his home city. For years a representative of German steamship lines, he delighted to recall that it was at the age of 14 years that he sold his first passage to Europe.

"Mr. Berwald served Davenport ably as mayor in a parlous period. He assumed the helm of the municipal government in 1916. The Socialist menace later brought about a fusion ticket and he was defeated when he sought reelection as an independent. During his administration he became convinced that the city manager plan would best serve the needs of the community and he consistently advocated that reform during the later years of his life.

"Of frail health in his earlier years, and threatened with tuberculosis, he led an active outdoor life. He turned to the bicycle as a means of physical development and for years he was a familiar figure astride his wheel. Mayoralty dignity did not deter him from employing his preferred means of transportation. Mr. Berwald made a definite and enduring contribution to Davenport. He personified all that was best in the element of the city population he so well represented. He will be genuinely mourned since he was widely beloved."

J. M. McClure, of Limon, Colo., local agent, died suddenly on his 84th birthday. A. C. Moschel will succeed to Mr. McClure's business.

R. B. Wentworth, veteran Oklahoma special agent for the St. Paul with headquarters in Wichita, is again able to spend considerable time at his office following several weeks illness. He probably will not travel much before cooler weather.

P. L. Lake, Kansas special agent for the St. Paul, has returned to the field following several weeks absence because of an operation.

J. A. Carlson, San Francisco, assistant secretary America Fore, has been visiting agencies in Washington, Montana, Utah and Idaho.

P. T. Kelsey of Montclair, N. J., formerly United States manager of the Sun, who is now retired from office, was in Winnetka, Ill., last week visiting his daughter, Mrs. R. A. Aishton. Mr. Kelsey made a trip or two to Chicago to visit some of his old time friends.

G. B. Jennings, Virginia state agent for the Royal Group, was stricken in Washington last week and is now under observation in a Richmond hospital to determine whether operation may be necessary.

J. A. Frates, Sr., chairman of the Frates agency of Tulsa, has returned from a two weeks' trip to Grand Rapids and the Great Lakes. He was accompanied by Mrs. Frates.

Paul L. Haid, president America Fore, has been cruising the waters about Massachusetts Bay and along the Maine coast the past two weeks in his yacht Annmarbea. Among his guests were Vice-President and Mrs. W. F. Dooley.

H. W. Laird of Lakeland, Fla., manager of the chamber of commerce, local agent and former assistant secretary of the National Association of Insurance Agents, is now conducting a weekly department in the Lakeland "Sunday Ledger & Star Telegram" entitled, "Laird's Weekly Comment." It is devoted to insurance. Hervey Laird handles his quill in professional form and therefore what he writes is well written.



# *driving...*

## for automobile premiums

The vigorous Service backing of a Company which co-operates promptly, sensibly, and to real purpose, is behind all "L. & L. & G." agents in working out their plans for developing 1931 Automobile Insurance business.

Skillful driving for Automobile business will speed up your production—and a part of this skill may consist in the judicious use of various sales helps: mailing enclosures, sales letters, window displays. We have such material available for your use.

In your drive for Automobile premiums, you will find our resources of experience, organization, and equipment a real power back of your selling activities.

150 WILLIAM STREET

NEW YORK, N. Y.





# FIRE INSURANCE NEWS BY STATES

## OHIO AND WEST VIRGINIA

### Insurance Men Castigated

House Organ of Cincinnati Automobile Club Is Bitter in Its Denunciation

"Motour," the organ of the Cincinnati Automobile Club, comes out this month with a bitter article and also an editorial commenting on its defeat on the insurance issue at the recent annual meeting of the Ohio State Automobile Association, at which, it says, "Organized automobile insurance interests scooped down upon the association and dominated the convention, without a single representative of the Cincinnati Automobile Club being selected as an officer, director or in any official capacities." Such statements as these follow: "Automobile insurance representatives were busy day and night in conference rooms, private rooms and bathrooms. The thought that an automobile club in the state of Ohio would have the audacity to think of providing automobile insurance for motorists, thereby saving them money, was a terrible thing—according to the insurance interests. All day long and far into the night they entertained and browbeat the delegates to the convention. Club secretaries and officers who already were in the insurance business, but failed to pass anything on to the motorists in the way of saving on premiums, lined up solidly against the Cincinnati delegation who found themselves the center of attack." "Behind the insurance interests during the pre-convention electioneering stood Cleveland, Akron, Toledo and Columbus, arm in arm, shouting the interests of the motorists, determined not to save him anything in the way of a reduction in insurance rates."

#### NO NOTE OF JUSTICE SEEN

These paragraphs, coming from an automobile club which is itself well known for its political activities, do not strike the note of fair dealing to the insurance interests or to the other automobile clubs of the state. The question was not one of lower rates, which insurance interests cannot legitimately object to, but whether the methods to be employed by the Cincinnati club were legitimate. Insurance men cannot properly object to the Motorists Mutual of Columbus furnishing insurance as cheaply as it wishes to. The Motorists Mutual is one of the many companies in Ohio writing automobile insurance and it has the same right to do business as any of the others.

But insurance men can object to any particular company being singled out and given business exclusively by the automobile clubs of Ohio, eliminating other and better companies, measured by financial strength and insurance costs with the cost of soliciting the business borne largely by the automobile club whose members pay this cost through their dues.

#### Officers Interested in Agency

In the case of the Cincinnati Club, its officers were financially interested in the agency of the Motorist Mutual and were also officers of the insurance company. They were thus using their positions as officers of the club to build up their own insurance business. Insurance is a business by itself, recognized and licensed by the state. It pays taxes to the state and is entitled to a certain degree of protection in its operation. There is an essential unfairness involved in the Cincinnati club using its organization to solicit business at its own expense for any particular company. The officers seem to regard it as their par-

ticular possession and would not have permitted an open and free discussion of the insurance matter in the columns of their paper nor would they furnish a list of members so that insurance men might present their side of the case although the question involved is at least a debatable one. Officers took it upon themselves to put the members into the insurance business without opening the way for a full and free discussion by the members themselves.

#### Large Clubs Not Swayed

Activities of the insurance men at the convention are obviously over stated and it is not likely that large clubs such as those at Cleveland, Toledo, etc., could be swayed against their will by insurance men, although it is not at all unlikely that insurance men did everything they could in the interests of their business. It is not merely the stock insurance agents who would object to what they consider the unfair methods of automobile clubs in competing with them but mutual companies and companies which do not employ agents at all have equal rights in the matter.

### Ohio Blue Goose Officer Names His Committees

J. H. Burlingame, most loyal gander of the Ohio Blue Goose, has named these committees: Social, Columbus, E. F. Gallagher, general chairman; John H. Gray, H. C. Behnke, L. C. Heller and D. C. Pugh; Cleveland, Walter Plangman, chairman; E. E. Heasley, Jr., and Frank E. Green; Cincinnati, George Graham, Jr., chairman; Ralph Richman and Jerry Halliday. Membership: Martin Vold, Jr., general chairman; W. C. Horne and Thomas Gernerchak; Cincinnati, R. W. Tyler, chairman; C. H. Alden and C. M. Stevenson. Initiation: Paul Brown, chairman; Dewey Dumford, H. L. Newton, G. H. Wilkinson and S. O. McLean. Ritual: William Gilsdorf, obligation; Howard Underwood, charge. Luncheon: A. E. Bulau, A. C. Guy and B. F. Flood. Insurance: R. W. Hukill, B. F. Flood and J. M. Shaw. Memorial: A. W. Jones, chairman; D. C. Morgan and R. S. Tidrick. Relief: William Gilsdorf, Walter Shannon and R. T. Huggard.

#### Approve Warner's Ruling

CLEVELAND, July 22.—Superintendent Warner's ruling regarding dry cleaners and furriers giving away individual policies when garments leave their hands, has met with the approval of insurance agents in Cleveland and the other large cities of Ohio. It is his first big constructive move and insurance men welcomed his attitude in up-

holding the business ethics endorsed by leaders in the field. His ruling makes for stabilization and legitimate practice.

### Old Insurance Building Razed

The building put up by the Enterprise Insurance Company of Cincinnati about 1869 and occupied by that company for many years is now being torn down. The building is located on the north side of Third St. near Vine. It is a four-story structure and when built was considered one of the handsome buildings of Cincinnati. John W. Hartwell was president when the building was erected. The Enterprise was reinsured by the North British & Mercantile.

#### Arrange for Inspections

R. W. Bayliss, World, and Walter Plangman, American of New Jersey, have been appointed by the Fire Prevention Association of Ohio to arrange for an inspection at Elyria Sept. 24. An inspection also will be made at Sandusky, arrangements for which are being made by J. F. Roberts, Atlas, Cleveland, and V. W. Souders, Fire Association, Cleveland. An inspection also will be held later at Geneva.

### Ohio Notes

The Russell Insurance Agency of Toledo has been incorporated with \$500 capital.

The E. W. Alstetter Insurance Agency, Sandusky, O., has been incorporated.

The Holyoke Mutual Fire has been admitted to Ohio. H. A. Kern, Bellaire, is state agent.

The Bruner - Goodhue - Cooke - Crazz Agency Company of Akron has been incorporated.

The Automobile Insurance Agency Company, Cleveland, has been incorporated by E. K. Henry, W. H. Schulte and W. S. Little.

D. C. Smith, Continental Fire, gave a talk on "Safeguarding the Farm Against Fire" over the Ohio State University radio at Columbus Monday night.

J. S. Metzner, Delphos, has taken his son, J. A. Metzner and his daughter, Emma Metzner, into business with him in the Metzner Insurance Agency.

Joseph Boyd, age 72, formerly connected with the Columbia Insurance Company at Dayton, O., died at his home in that city last week.

The Fire Prevention Association of Ohio is completing plans for an inspection to be held at Elyria, O., Sept. 24. T. A. Fleming, National Board, will speak.

Wilford Holcomb, Inc., 1115 Second National building, Akron, O., has taken over the business of the Eaton-Handy-Harphan Company of that city. Mr. Holcomb was manager of the insurance department of the old company prior to the change.

William Knobel has bought the agency of Jacob Keller, who has operated in Cleveland for many years as Jacob Keller & Co. C. L. Dennison, Mr. Keller's partner for several years, recently withdrew from the business and Mr. Knobel is now sole owner.

insurer. Whether there was such causal connection was a question of fact for the jury, under the evidence. The jury determined this disputed question of fact in favor of the township and the court is bound to give effect to such finding.

### Loss Ratio Is Favorable

Secretary E. H. Tripp of the Illinois Mutual Fire Underwriters of Belvidere, Ill., finds that the company has made a steady gain in assets for the last five years. While premiums are off as they are with all companies, the loss ratio so far this year has been favorable.

### Big Bubble Has Exploded

The American Sentinel Fire of Effingham, Ill., which was chartered and proposed to solve all the problems of fire insurance, has failed to complete its organization within the two year period and hence the insurance department has submitted to the attorney general the question of annulling the charter.

### Buy Hammond Bank Agency

The Lake County Agency, Hammond, Ind., was the successful bidder for the insurance department of the defunct First Trust & Savings Bank of Hammond. It obtained the business at the minimum sale price of \$15,666.67 and was the only bidder. The department, which had been appraised for the receivers of the trust company at \$27,500, was sold at auction. Harry Jewett, manager of the department for the receivers, will continue as manager for the new owners. The agency was one of the largest in the state. The new owners are making their headquarters in the office of Gostlin, Meyn & Weiss.

### C. W. Lehmann, Elgin Agent, Dies

Charles W. Lehmann, who had been operating the agency bearing his name in Elgin, Ill., for more than 20 years, died last week after a three months' illness. He was 57 years of age. Mr. Lehmann had a law practice as well as the insurance agency. His affairs will be carried on by his son, Ranstead Lehmann.

### Indiana Notes

Arthur Wolf, vice-president State Automobile Insurance Association of Indianapolis, is seriously ill following an operation.

J. H. Wheeler of Stone, Stafford & Stone, Indianapolis, who recently suffered severe injuries to his left arm in an automobile accident, including several fractures of bones, is making good improvement and has returned to his desk, although his arm is still in a cast.

Announcing the annual convention of the Illinois Firemen's Association, to be held at Murphysboro, Sept. 8-10, Chief Herring of the local fire department paints a glowing picture of Murphysboro as a convention city. An interesting program is being arranged for the occasion and Chief Herring anticipates a large attendance of firemen and visitors.

Sill & Hadley, Detroit agency, has been incorporated by C. H. Sill, E. C. Ray and S. C. Hadley.

### Goodwin at Wichita

WICHITA, July 22.—The Wichita Insurers held a very enthusiastic meeting in honor of President Percy H. Goodwin of the National Association of Insurance Agents last week. F. T. Priest of the Dulany, Johnston, Yankee & Priest Agency, former National association executive committeeman, introduced President Goodwin. President Goodwin discussed the problems and the accomplishments of the National Association.

## CENTRAL WESTERN STATES

### Breach of Condition Ruling

Jury Must Decide Whether Violation of Policy Provision Caused the Fire

Whether there is a causal relation between a breach in the condition of the policy by the insured and the loss to the insurer is a question of fact for the jury to decide, the Michigan supreme court has ruled in the case of Township Board of Hillman Township vs. Empire Mutual Fire. The company resisted payment of damages resulting

from the burning of a hall on the ground that the building insured was occupied for other purposes than those for which it was insured and that the township negligently permitted a motion picture machine to be operated therein, by an incompetent person, in violation of law. The Empire Mutual Fire claimed that the picture film caused the fire.

The township claimed that the fire burned the building and contents, including the picture film. It was held that under act No. 264, public acts of 1921, it became the duty of the defendant to show there was a causal relation between the breach of the condition of the policy by the insured and the loss to the



## LOYALTY GROUP

### TRUE OPTIMISM

True Optimism is Faith; Faith in Humanity; Faith in the Nation; Faith in its Institutions; Faith in Yourself; Faith in the Present; and Faith in the Future.

False Optimism is Hope based on Desire.

Pessimism is compounded of lack of Faith in all that True Optimism is founded upon, and is acknowledgment of unbelief in self, too often coupled with the wish to profit through the misfortunes of others.

History, that Just Judge of Humanity, reads the record and inexorably records the verdict.

The Verdict is, always has been, and always will be that True Optimism is justified and its results proven; that False Optimism cannot last because of its unsound foundation; and that Pessimism cannot prevail, but must ever fail because of its inherent untruth and viciousness.

History records that the world progressed, and was in every way better and more prosperous in the year 100 than in the year 1 A. D.; History records that the world progressed, and was in every way better and more prosperous in the year 1000 than in the year 100 A. D.; History records that the world progressed, and was in every way better and more prosperous in the year 1900 than in the year 1000 A. D.; and History will continue to record the progress of the world, and this record will show the year 2000 in every way better and more prosperous than the year 1900 A. D. It is reasonable to believe, and it is wise to believe, and most people do believe that the year 1931 will be in every way better and more prosperous than the year 1930. Voice, therefore, your belief by word and act and aid it to come true in fullest measure.

Almost two thousand years ago a wise teacher and leader of men said:

"Now Faith is the substance of things hoped for, the evidence of things not seen".

Today Faith is as then. Today, as then, True Optimism is Faith. Thinking men must be and are True Optimists. That individuals have suffered misfortunes in the past and many have succumbed, and that individuals will suffer misfortunes in the future and more will succumb, cannot be denied, but such misfortunes, however hard for the individuals, are after all individual misfortunes and will not, in fact cannot stay the world march of progress and prosperity.

Do not be ashamed of your True Optimism, and do not be afraid to express it because you fear some pessimist may ridicule it and tell you that some day he will say "I told you so". Have courage and make known your True Optimism by voice and deed; make known your Faith in Humanity; make known your Faith in your Nation; make known your Faith in the Future; make known your Faith in Yourself; and make known your Faith that the tide has turned and that Prosperity has its hand stretched to knock at the door, and will surely enter if we but heed it, instead of harkening to cowardly fear.

NEAL BASSETT, President.

NEAL BASSETT, President  
JOHN KAY, Vice-President and Treasurer A. H. HASSINGER, Vice-President WELLS T. BASSETT, Vice-President ARCHIBALD KEMP, 2d Vice-President  
**FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY**

NEAL BASSETT, Chairman of Board  
HENRY M. GRATZ, President WELLS T. BASSETT, Vice-President JOHN KAY, Vice-President A. H. HASSINGER, Vice-President ARCHIBALD KEMP, 2d Vice-President  
**THE GIRARD FIRE AND MARINE INSURANCE COMPANY**

NEAL BASSETT, President  
JOHN KAY, Vice-President A. H. HASSINGER, Vice-President WELLS T. BASSETT, Vice-President ARCHIBALD KEMP, 2d Vice-President  
**THE MECHANICS INSURANCE COMPANY OF PHILADELPHIA**

NEAL BASSETT, President  
JOHN KAY, Vice-President A. H. HASSINGER, Vice-President WELLS T. BASSETT, Vice-President ARCHIBALD KEMP, 2d Vice-President  
**NATIONAL-BEN FRANKLIN FIRE INSURANCE CO. OF PITTSBURGH, PA.**

NEAL BASSETT, President  
JOHN KAY, Vice-President A. H. HASSINGER, Vice-President WELLS T. BASSETT, Vice-President ARCHIBALD KEMP, 2d Vice-President  
**SUPERIOR FIRE INSURANCE COMPANY**

NEAL BASSETT, Chairman of Board  
W. E. WOLLAEGER, President WELLS T. BASSETT, Vice-President ARCHIBALD KEMP, 2d Vice-President A. H. HASSINGER, Vice-President  
**THE CONCORDIA FIRE INSURANCE COMPANY OF MILWAUKEE**

NEAL BASSETT, Vice-President  
CHARLES L. JACKMAN, President JOHN KAY, Vice-President A. H. HASSINGER, Vice-President WELLS T. BASSETT, Vice-President ARCHIBALD KEMP, 2d Vice-President  
**THE CAPITAL FIRE INSURANCE COMPANY**

NEAL BASSETT, Vice-President  
CHARLES L. JACKMAN, President  
**UNDERWRITERS FIRE INSURANCE CO. OF CONCORD, N. H.**

NEAL BASSETT, Chairman of Board  
CHAS. H. YUNKER, President WELLS T. BASSETT, Vice-President ARCHIBALD KEMP, 2d Vice-President A. H. HASSINGER, Vice-President  
**MILWAUKEE MECHANICS' INSURANCE COMPANY**

NEAL BASSETT, Chairman of Board  
J. SCOFIELD ROWE, President H. S. LANDERS, Vice-Pres. & Gen'l Counsel S. WM. BURTON, Vice-Pres. J. C. HEYER, Vice-Pres.  
EARL R. HUNT, Vice-Pres. S. K. McCLURE, Vice-Pres. JOHN KAY, Vice-Pres. A. H. HASSINGER, Vice-Pres. WELLS T. BASSETT, Vice-Pres.  
**THE METROPOLITAN CASUALTY INSURANCE COMPANY OF NEW YORK**

NEAL BASSETT, Chairman of Board  
C. W. FEIGENSPAN, President H. S. LANDERS, Vice-Pres. & Gen'l Counsel W. VAN WINKLE, Vice-President E. C. FEIGENSPAN, Vice-President  
JOHN KAY, Vice-President A. H. HASSINGER, Vice-President WELLS T. BASSETT, Vice-President  
**COMMERCIAL CASUALTY INSURANCE COMPANY**

#### WESTERN DEPARTMENT

844 Rush Street, Chicago, Ill.

H. A. CLARK, Manager

Ass't Managers

H. R. M. SMITH  
JAMES SMITH FRED. W. SULLIVAN

#### EASTERN DEPARTMENT

10 Park Place

Newark, New Jersey

#### CANADIAN DEPARTMENT

461-467 Bay St., Toronto, Canada  
MASSIE & RENWICK, Ltd., Managers

#### PACIFIC DEPARTMENT

San Francisco, California

60 Sansome Street

W. W. & E. G. POTTER, Managers

Ass't Managers

JOHN R. COONEY CHAS. H. GATCHEL

LOYAL TO PRINCIPLE—TO LOYAL AGENTS, LOYAL

## STATES OF THE NORTHWEST

### Hope for Northwest Farmer

**Federal Reserve Bank Man Analyses  
Position of Agriculture in Address  
at Mutual Convention**

Hope for the farmer and especially for the farmer of the northwest was held out by O. S. Powell, statistician Federal Reserve Bank of Minneapolis, in his address before the Northwestern Association of Mutual Insurance Companies at Minneapolis. Surpluses of farm products are being gradually wiped out, and farm borrowing from banks has reached a low level, according to Mr. Powell. Furthermore, farmers are holding their expenditures down to a minimum. Therefore, Mr. Powell believes that the farmer will be in a favorable position to benefit by higher agricultural prices when they occur.

In depressions of the past, Mr. Powell pointed out, the prices of farm products have fallen off more sharply and more quickly than prices of industrial products, because farm products, being in weak hands and because of their perishable nature, cannot be withheld from the market.

#### Previous Depressions

But in previous depressions farm products have always risen earlier and more sharply than non-agricultural products. In the 1921 depression, he said, business activity reached its low point in March. Farm product prices reached their low point in June, whereas non-agricultural prices continued to decline until the following February. Farm product prices increased 19 points during the next two years, while non-agricultural products increased only 13 points.

Mr. Powell pointed out that the northwest has become increasingly dependent on farm income from dairy products, poultry and eggs, meat animals, potatoes and other vegetables. In 1924 the cash income in the Minneapolis Federal Reserve district from crops was \$564,000,000, and from animal products \$513,000,000. By 1929 the income from crops had decreased to \$340,000,000 and the income from animal products had increased to \$682,000,000.

Surpluses in animal products are being wiped out, he said. The national cold storage holdings of butter on July 1 were almost exactly at the five year average and were 17,000,000 pounds

smaller than a year ago. The cold storage holdings of pork, lamb, mutton and eggs were also at about the five year average on July 1, while stocks of beef, lard and poultry were below the five year average.

### Form Mutual Clearing House

**Carriers in Minneapolis Convention Vote  
Unanimously to Keep Tab on  
Risks and Agents**

A bureau for exchange of information on undesirable risks and agents has been formed by the Northwestern Association of Mutual Insurance Companies. This action was taken at the annual convention in Minneapolis. The 86 executives and agents from the 40 member companies in attendance voted unanimously for the plan outlined in a talk by L. N. Schoonover, National Implement Mutual. S. T. Sager, reelected secretary-treasurer, will conduct a clearing house for the information from his office with the Austin Mutual in Minneapolis.

K. L. Hjermstad, Citizens Fund Mutual, Red Wing, Minn., was elected president, and D. O. Milligan, Western Grain Dealers Mutual, Des Moines, vice-president. The offices of secretary and treasurer were combined.

#### New Directors Are Elected

Directors elected are: S. H. Scalling, Druggists Mutual, Mitchell, S. D.; A. W. Nygaard, North Dakota Implement Dealers Mutual, Grand Forks; F. O. Rutledge, Farmers Mutual, Des Moines; R. L. Jacobs, Citizens Mutual, Janesville, Wis.; A. J. Dahlstrom, Retail Merchants Mutual, Minneapolis. The officers will serve as ex-officio members. The 1932 convention will be held in Minneapolis, some time in May.

Among speakers were R. H. Schutz, Retail Credit Company, "Hard Times Versus the Moral Hazard"; John Gunn, Jr., Employers Mutual Gas Company, Des Moines, "Developing Sound Financial Practices Among Mutual Companies"; Mr. Hjermstad, "Obtaining a Maximum of Safety in Underwriting"; R. S. Ritchey, R. S. Ritchey & Co., Minneapolis advertising agency, who said mutuals are "woefully behind the old line companies in their selling effort"; a paper by Col. F. W. Matson, president Minnesota Safety Council, read by G. H. Zealand, executive secre-

tary, "Making the Highways Safe"; W. J. Laidlaw, Minnesota Farmers Mutual, "Combining Safety and a Profitable Yield in Investments"; W. R. Crouse, Farmers Union Mutual, Des Moines; R. A. Bradberg, Employers Mutual Indemnity, Wausau, Wis., and O. S. Powell, statistician Federal Reserve Bank, Minneapolis.

### HEARING ON BELOIT LOSS IS HELD BEFORE COMMISSIONER

MADISON, WIS., July 22.—More than 20 fire companies were represented at a hearing before Commissioner Mortensen in connection with the \$500,000 Beloit fire of Dec. 6, 1930. They were ordered by the commissioner to show cause why policies held by Beloit residents should not be paid. H. O. Wolfe, Milwaukee attorney, represented the companies.

An explosion preceded the fire and the companies contend that they can not be held for all of the damage. They pointed out, through their counsel, that none of the buildings damaged carried explosion insurance. The explosion is believed to have been caused by a leaky gas main of the Wisconsin Power & Light Co. Mr. Wolfe told Commissioner Mortensen the companies believe the commissioner has no jurisdiction in the matter but that they were ready to appear out of courtesy.

A virtual ultimatum to fire insurance companies that losses must be paid promptly was issued by Commissioner Mortensen at the conclusion of a hearing.

"A contract is a contract and should be kept," Mr. Mortensen declared. "If the insurance companies suspect incendiarism or fraud by the property own-

ers, this department will be glad to cooperate in ascertaining the facts.

"So long, however, as the premiums are paid for protection, the settlement when losses occur should be made without unreasonable delay and without bargaining."

It is understood that H. O. Wolfe, Milwaukee, attorney for the insurance companies, and attorneys for the owners of the insured property after the meeting, called here by Mr. Mortensen, got together and decided on a plan of settlement.

So far as the assertion of Mr. Wolfe was concerned that the insurance commissioner had no jurisdiction in the case, Mr. Mortensen believed that he was within his rights in insisting that the insurance statutes of the state, which provide for prompt settlement, be enforced, he said.

### Discuss Mutual Reinsurance Plan

MADISON, WIS., July 22.—About 30 representatives of town mutuals met here with J. E. Kenney, deputy commissioner, to continue discussion of plans for a reinsurance company, first suggested several months ago. Its purpose would be to stabilize the small mutuals and prevent heavy assessments when unusual losses deplete their reserves. Commissioner Mortensen attended the meeting and spoke briefly.

Before organization is possible, at least nine companies which together have \$10,000,000 property insured must agree to the plan, since nine directors are required, one from each member company.

Fred W. Gamm, local agent at Watertown, Wis., has filed a voluntary petition in bankruptcy, listing liabilities of \$29,460 and assets of \$12,907.

## IN THE MISSOURI VALLEY

### Agents Favor "Oakland Plan"

**Kansas City Men Present Proposal to  
Officials for Handling Insurance  
Under City Contracts**

KANSAS CITY, MO., July 22.—Insurance interests here are attempting to win the city administration over to the "Oakland plan" of awarding insurance carried by city contractors to agencies here. Members of the Casualty & Surety Agents Association and the Insurance Agents Association of Kansas City believe the city's insurance should

be handled in some such manner because of the increased city building which will result from the "10-year plan." All insurance interests backed and helped secure the voting of the 10-year plan bonds.

A delegation called on Mayor Smith and H. P. McElroy, city manager, and explained the workings of the plan. The committee consisted of W. J. Welsh, president Casualty & Surety Agents Association; J. H. Johnson, president Insurance Agents Association; M. N. Platt, chairman executive committee of the casualty association; W. F. Maring, Jr., secretary of both associations; Frank Wilbur and L. H. Dennison, members

# MARSH & McLENNAN

## Insurance

FIRE

LIABILITY

MARINE

164 W. Jackson Blvd., CHICAGO

MINNEAPOLIS  
MONTREAL  
WINNIPEGNEW YORK  
PHOENIX  
CLEVELANDSEATTLE  
PORTLAND

LONDON

PITTSBURGH  
COLUMBUSSAN FRANCISCO  
INDIANAPOLIS  
DULUTHDETROIT  
BUFFALO  
RICHMOND



of the Insurance Agents Association executive committee, and Frank Furgason, vice-president of that association.

For years the city has required contractors to furnish bonds and liability insurance, the cost of which is included in bids. Under this plan the city can reject insurance written by agencies with which it has had difficulty over claims. The insurance committee proposed that the city purchase all insurance on the 10-year building projects plan from a group that would divide the business among various agencies equitably. Earnings might be kept in a pool, to be distributed at the end of each year, it was suggested.

### Refuses to Speed Up Case

**Superintendent Thompson of Missouri Turns Deaf Ear to Agents in Fire Rate Litigation**

KANSAS CITY, MO., July 22.—Superintendent J. B. Thompson of Missouri, has refused to speed up trial of the Missouri rate case as urged by P. K. Weis, president of the Missouri Association of Insurance Agents, and T. S. Ridge, Jr., legislative committee chairman, who conferred with Mr. Thompson on behalf of Missouri agents last week.

Missouri agents have every reason to believe that if at the close of the rate litigation the companies should win, lose or draw, rates on residence and fireproof business and industrial property would be reduced 17 to 20 percent under published rates, they argued with Mr. Thompson. They believe preferential rates would be given protected cities, with no charge for inherent explosion nor extra charge for attached garages.

The Missouri association had hoped the state would instruct its attorneys to rush their case, thereby getting an early decision of the United States district court as to the correct rate-making formula. Mr. Thompson's refusal makes unlikely the hoped-for alleviation of the pressure under which Missouri agents now are working.

Mr. Ridge pointed out that it is the agent who is suffering, and that a speedy decision would mean more to the agent than to anyone else involved in the case.

### Is Extending Its Operations

**General Insurance Agency of Kansas City Has House Warming in Its New Office**

The General Insurance Agency, with offices in 21 West Tenth street building, Kansas City, Mo., is extending its lines materially. It is a little over two years old. The personnel consists of five men, Louis Lowenstein, president; Albert E. Haas, treasurer; Gordon A. White, secretary; R. C. Coleman and Judd Biddle, vice-presidents. All these men have had four to ten years' insurance experience. Mr. White is a fire insurance engineer and Mr. Coleman is a casualty man. The agency specializes on survey work, analyzing the insurance needs of clients and building up insurance programs. On Friday of this week it is to have a formal opening of its new offices. A number of company officials and insurance men as well as clients have been invited to be present. It is expected that some 30 or 40 brokers and solicitors will be on hand.

### Distribute School Board Cover

DES MOINES, IA., July 22.—Following a long established custom, the Des Moines board of education has appointed representatives of insurance agencies to constitute a committee to recommend distribution of policies in the renewal of \$1,265,900 insurance for a three-year period. The total premium on policies is \$16,484.

The committee recommended that the business be given to 45 agencies. When the time came for action 25 insurance

men appeared before the board and all but four endorsed the report. Because of the opposition the board decided to defer action until a future meeting. The present policies expire August 1.

### Insurance Loss at Spencer Is Now Estimated at \$700,000

Representatives of the Western Adjustment on the scene estimate the total loss in the Spencer, Ia., conflagration at \$800,000, with the insurance company loss between \$650,000 and \$700,000. Mutuals are estimated as being liable for two-thirds of the insurance company losses or about \$450,000, while the stock company loss is set at \$250,000. There were 175 individual losses.

### Rules on Gasoline Machines

Automatic gasoline vending machines create a fire hazard in Kansas and there must be an attendant to watch them at all times they are in operation, it is ruled by Douglas Graham, Kansas fire marshal. Recently many of these machines have been installed throughout the state, particularly in small towns where there are no fire regulations. The motorist deposits certain coins and gets a corresponding amount of gasoline. The fire marshal points out that the least bit of carelessness in handling gasoline may result disastrously and the machines may not always function perfectly. He said there is no reason to expect greater safety in handling gasoline through the automatic pumps.

### Takes St. Paul Companies

WICHITA, July 22.—The Dulaney, Johnston, Yankee & Priest Agency, which recently resigned nine fire companies to reduce overhead, have been appointed agents for the St. Paul Fire & Marine and the St. Paul-Mercury Indemnity. A sole agency agreement has been worked out with the St. Paul as the agency has the sole agency for all companies in the office.

### Sees Better Times in Missouri

KANSAS CITY, July 22.—D. R. Ford, state agent Springfield Fire & Marine and president of the Missouri Fire Underwriters Association, who is a close observer of trends in Missouri, says Missouri crops never have been better, which will mean more money for the farmers to spend on insurance and everything else. Mr. Ford believes the tide has turned, and that the entire business structure should clear away its aisles and stock its shelves for the "re-valuation of business."

### Chapell Buys Mosbacher Agency

The Charles Mosbacher Agency of Wichita has been purchased by the Byron S. Chapell Agency and the former's membership in the Wichita Insurors has been transferred to the Chapell Agency which was organized some two years ago.

### L. C. McCord in Nebraska

In last week's edition, it was erroneously reported that L. C. McCord has been appointed general adjuster for Iowa for the Western Adjustment. Mr. McCord, who has made a fine record in that organization, is made general adjuster for Nebraska.

### Kansas Notes

T. M. Fergus, special agent Fidelity & Guaranty in Minnesota and North Dakota, spent his vacation in Topeka and Wichita, where he was formerly connected with the Kansas Inspection Bureau.

Offices of the St. Paul's Kansas field men, J. F. Snyder and P. L. Lake and R. B. Wentworth, Oklahoma special agent, have been moved to the New Central building in Wichita. For nearly 20 years offices had been maintained in the Schweiter building.

## THE GENERAL INSURANCE AGENCY, INC.

Is pleased to announce  
their removal to new  
and larger offices

21 WEST 10TH STREET BUILDING  
KANSAS CITY, MISSOURI

Call upon us in our new  
quarters and let us help solve  
your insurance problems.

### Write Today for Agency Openings

You'll build business on Iowa National Fire's definite rates and prompt, fair settlements. Investigate fully this strong, favorably known stock company. Write today for full information. No obligation, of course.

Fire  
Lightning  
Tornado  
and  
Automobile  
Insurance

IOWA  
NATIONAL  
FIRE INSURANCE  
COMPANY  
DES MOINES, IA.

Write for  
Agency  
Openings  
in Iowa

## STATES OF THE SOUTHWEST

### Plan to Test Board's Order

**Tulsa Mortgage and Insurance Man to Carry Up Refusal to Issue Agent's License**

OKLAHOMA CITY, July 22.—A test case on the Oklahoma insurance board's new policy will probably result from the board's refusal to grant a license to A. J. Hamel, head of the Investors' Mortgage Company of Tulsa, on the ground that he is writing insurance on property in which he is alleged to be interested. The new policy is to deny right to any insurance business in Oklahoma to bond and mortgage companies, finance corporations and others which loan money and compel borrower to buy insurance from their companies.

The board charges that Hamel has been using his insurance agency for this purpose. Hamel's attorneys notified the board they will appeal to the courts to test legality of the order and constitutionality of the statute. The board's order states that Hamel "is not a proper person" to be licensed because he is only a part-time agent, is not actively engaged in insurance and is writing insurance on property in which he is interested in violation of Oklahoma law. The board claims that he is operating the Investors Mortgage Company and Investors Security Company so that each borrower has to take out insurance through Hamel's agency to protect loans.

The fate of the Morris Plan banks and similar institutions which loan money and insist that borrowers take insurance as part of the cost of making the loan, will be settled if a court test is made, members of the board state.

### Arkansas Fire Loss Improves

The Arkansas Fire Prevention Bureau reports the fire loss in the state during June at \$365,970, involving 181 fires. This is an improvement over June of last year.

### Fort Worth Gets Reduction

FORT WORTH, TEX., July 22.—As a result of recent improvement in fire protection here, Fort Worth has been given a 2-cent reduction in its key rate. The new rate of 13 cents is the same as in Dallas. San Antonio's key rate is 14 cents and Houston's 19 cents.

D. G. Foreman, manager of the chamber of commerce insurance department, which is the local agents' organization here, is also endeavoring to secure the establishment of a salvage corps. A new central fire station and new fire

alarm building and equipment were installed recently.

### Sloan Gets Brooklyn

Hugh Sloan, San Antonio, has been appointed Texas general agent for the Brooklyn Fire. Mr. Sloan conducted an agency in Corsicana before going to San Antonio. He has been special agent for Crum & Forster 10 years, and a representative of the Commercial Standard two years. Ben Sloan will be associated with Hugh Sloan in the general agency work. He has been in special agency work for several years and has recently been connected with the Southwestern Adjustment Company. Their headquarters will be at 415 Western National building, San Antonio.

### Kitchen & Bros. Changes

A. Riggs Livengood, special agent of J. D. Kitchen & Bros., at Houston, Tex., has resigned and is succeeded by E. M. Holt, who has been special agent at Abilene, Tex. W. A. Black, formerly special agent for George M. Easley & Company, Dallas, will succeed Mr. Black at Abilene.

### Must Join State Body

OKLAHOMA CITY, July 22.—A new set of by-laws adopted by the Associated Fire & Casualty Underwriters of Oklahoma City provide that every member of the association shall join the state association; and that every legitimate agent in the city shall be eligible to membership.

### Oklahoma Notes

The American Insurance Agency is a new member of the Tulsa Fire & Casualty Association.

The Mutual Protective of Oklahoma City has been chartered by Hatter Smith, L. M. Smith and C. N. Harmon.

The enviable record of no fire losses in June is reported at Ada, Okla. Twice this year this city has come within \$10 of the same goal, in March and May.

Fires in Oklahoma City on the Fourth of July exceeded those of last year by nearly 500 percent. There were 19 fires on this holiday this year, all due directly or indirectly to fireworks. None were serious.

### Arkansas Notes

D. H. Banks has opened a new insurance agency in Springdale, Ark., as D. H. Banks & Co.

B. B. Fisher of the Fisher Insurance Agency, Walnut Ridge, Ark., received a handsome traveling bag from the Lions Club there upon completion of his term as president. The presentation was made by G. E. Henry, who expressed appreciation of his capable leadership.

## Favors Lasting Wedding of Company and Agent



M. E. WILLIAMS

M. E. Williams of McAlester, Okla., former president of the Oklahoma Association of Insurance Agents, who has just received a medal from the Fidelity & Casualty in recognition of 25 years' representation of that company, believes that an agent attains the best results and gets the greatest enjoyment out of his business where the relations of company and agent continue over a long period of years without interruption. Two years ago he received a watch from the Security of New Haven for 25 years' service. He has represented the Rochester American for 25 years; Fidelity & Deposit for 21 years; Camden Fire, 22 years; United States Fire, 20 years; State of Pennsylvania, 22, and Boston, 19.

"I feel very proud," he declares, "of the company representations in my office and my experience is such that I know exactly what each company will take, where and under what conditions. I know the personnel and home office executives of some of the companies and I feel that these companies having been in my office so long, are better equipped to take the business of this agency than if I had changed often. They meet our wishes as a general rule and we meet their requirements."

"There is a great deal of sentiment attached to the retention of companies in an agent's office and at no time during my 27 years' experience have I asked any company to come in and get its supplies."

## Southern States Local News

### Semi-Annual Premium Tax

**Commissioner Lowry of Mississippi Explains Ruling of Attorney General on Law Passed in 1930**

Premium taxes on all carriers operating in Mississippi must be paid semi-annually instead of annually because of an ambiguity in 1930, according to Commissioner Lowry, to prevent the possibility of penalties. This is in accordance with a decision by the attorney-general. Notices have been sent and Mr. Lowry has set Aug. 15 as the deadline, before which all remittances must reach him.

Commissioner Lowry has sent report blanks to be executed and returned to the department, together with the remittance, covering experience from Dec. 31, 1930, to June 30, 1931. He explains that because of the ambiguity of the 1930 law requiring companies to pay the tax on the annual basis, but providing no date for payment, he decided it would be best to make collection semi-annually as in the past, to avoid any possibility of a penalty being assessed in case the courts should rule in favor of semi-annual returns.

The commissioner says the courts have held that this is a privilege tax, and that all privilege taxes should be paid in advance, but he says there is a specific law providing that premium taxes and all other taxes payable at this time should be paid upon companies' experience, therefore the premium tax could not be payable in advance. This contention has been upheld by the attorney-general.

### Executive Committee Met

**Southeastern Underwriters Association Officers and Governing Board Had Conferences at Asheville**

ASHEVILLE, N. C., July 22.—The executive committee of Southeastern Underwriters Association concluding its annual conference here Tuesday had no definite announcement to make concerning matters referred to it by the association for discussion according to Joseph S. Rain, secretary.

All officers including J. H. Hines of Atlanta, president, attended the conference which lasted five days and participated in by all 20 members of committee. The committee decided to hold its next midsummer conference in Asheville again as it has been coming here

# HANOVER

## CRASH!

Falling Air Crafts have become a serious menace to property everywhere

Your City Is Not Exempt

Protect Your Assured—from such loss in the Hanover or Fulton

\$4,990,000 CAPITAL

\$13,036,735 POLICYHOLDERS' SURPLUS

\$19,355,569 ASSETS

LOSSES PAID SINCE ORGANIZATION \$73,088,808

**The HANOVER FIRE INSURANCE COMPANY of New York Charles W. Higley, Pres.**



several years in July. The November semi-annual convention will be held in Pinchurst, N. C. The annual convention will take place next June, the meeting point to be designated later. One of the important subjects before the organization is separation in agencies.

### Plan for Annual Meeting

MONTGOMERY, ALA., July 22.—At the July meeting of the Montgomery Real Estate & Insurance Exchange the annual meeting, election and barbecue of the local board was planned.

Sylvain Baum, chairman legislative committee Oklahoma association, told what the committee had accomplished during the sessions of the Alabama legislature. "We've been able to kill all bad bills," said Mr. Baum, "but so far have been unable to pass any bills that we wanted enacted into laws. Everything considered, we are satisfied."

### Insurance Frauds Exposed

As a result of investigation conducted by R. C. Willey, adjuster for the Aetna Life companies, and R. E. Nickels of the National Board, eight prison sentences, four of them suspended, have been imposed by the criminal court in Jacksonville, Fla., on perpetrators of insurance frauds. Mr. Willey believes that those who have been sentenced hold the key to more or less extensive fraud rings and he proposes to continue his investigation. The sentenced persons have been perpetrating personal effects frauds and setting fire to houses and other property throughout the country.

### Report on Forest Fires

RICHMOND, VA., July 22.—Forest fires which swept over 113,000 acres of privately owned land in 60 Virginia counties the first half of 1931 caused direct tangible property loss of \$180,000, reports of fire wardens to State Forester Chapin Jones indicate. There were 172 fires attributed to incendiaries, 52 to sparks from railroads and 42 to campers. Lumbering operations and miscellaneous and unknown causes accounted for the remainder. As the other 40 counties have no fire protection organizations, there were no reports from them. The Virginia forest service conducted 41 forest fire violation prosecutions in the spring season, securing 32 convictions.

### Rate Hearing Postponed

Application of the Virginia Insurance Rating Bureau for changes in rates on automobile fire and theft coverage to accord with those in the 1931 manual was dismissed without prejudice when the matter came up before the state corporation commission for hearing. This action was taken when bureau officials explained that on account of the recent death of S. W. Zimmer, its counsel, in an automobile accident, the bureau was not prepared to go into a hearing. Until the matter is heard, the rates

in the 1930 manual will continue in effect.

### J. C. Kinnett Appointed

J. C. Kinnett has been appointed agency superintendent of the B. P. Carter general agency at Richmond, Va., effective Aug. 1. This is a newly created position. Since the first of the year Mr. Kinnett has been examiner in southern territory for the National Union. For three years before that he was agency superintendent for the R. D. Coughanour & Sons general agency at Dallas. He started with A. H. Turner, Atlanta manager for a group of companies, and was with the Turner office ten years, rising from clerk to chief examiner. He is a brother of F. M. Kinnett, agency superintendent of that office.

### New Orleans Agencies Merge

NEW ORLEANS, July 22.—The general insurance agency of H. Bodenheimer and Sons general agency, with offices in this city and Shreveport, has absorbed the Schwabacher agency. Lawrence Schwabacher becomes vice-president of the Bodenheimer agency, associated with J. H. Bodenheimer, president, and will have headquarters in this city.

### Harrison in Larger Quarters

LOUISVILLE, KY., July 22.—J. H. Harrison, Louisville, independent adjuster, has moved into larger quarters at 1152 Starks building.

### Chappell Heads Macon Board

MACON, GA., July 22.—The newly elected officers of the Macon Board are: President, Isaac Chappell; vice-president, Kenmore Burns, Sr.; secretary-treasurer, Frank Colquitt. Scott Nixon, Augusta, president Georgia Association of Insurance Agents, addressed the annual meeting of the board.

### Inglesby Is Savannah President

SAVANNAH, GA., July 22.—The new officers of the Savannah Board are: President, Charles Inglesby; vice-president, Martin Schroder; secretary-treasurer, T. C. Myers.

### Georgia Executive Committee

AUGUSTA, GA., July 22.—Scott Nixon, president Georgia Association of Insurance Agents, announces the executive committee as follows: George White, Atlanta, chairman; T. T. Caldwell, Thomasville; C. L. Traylor, La Grange; C. F. Powers, Savannah; S. V. Conyers, Dublin; N. A. Way, Brunswick; A. A. Cooper, Rome, and R. H. Warren, Jr., Albany.

A. R. Menard, Macon, will be executive counsel and S. O. Smith, Gainesville, national councillor.

Gus Starr, 71 years old, one of the best known insurance men of Henderson, Ky., died at his home in that city on July 14, after a long illness. He was head of the Starr & Thompson agency, which he organized in 1889.

## ON THE PACIFIC COAST

### Washington League Muster

Forming the Program for Annual Convention to Be Held at Seattle Next Month

The Washington Insurance Agents League is making elaborate preparations for its annual meeting at Seattle, Aug. 11-12. The headquarters will be at the Olympic hotel. The executive committee will meet on the evening of the 10th. The business sessions will start the next morning. The golf tournament will be held the afternoon of the second day. Among the speakers will be President P. H. Goodwin, National Association of Insurance Agents; P. S. W. Ramsden

of Oakland, Cal., Insurance Commissioner Fishback of Washington; A. R. Sayres and J. C. McCollister of Seattle. Cyrus Stutfield in the Insurance building at Seattle is general chairman of arrangements. C. B. White, of Seattle is chairman of the program committee. H. E. Briggs is chairman of the golf committee.

### Fire Premiums Take Slump

Decrease of Approximately \$450,000 for First Half Indicated in San Francisco—Home Still Leads

SAN FRANCISCO, July 22.—Indications are that San Francisco fire pre-

Established 1923

## LINCOLN FIRE INSURANCE COMPANY OF NEW YORK

A strong and seasoned institution with a rugged honesty in conduct and service to its policy-holders and agents.

### MANAGERS

GEO. W. BLOSSOM

WM. A. BLODGETT

O. F. WALLIN

HEAD OFFICE  
90 John St.  
New York

PACIFIC COAST DEPT.  
114 Sansome St.  
San Francisco

WESTERN DEPARTMENT, 175 W. Jackson Blvd., CHICAGO  
Harry G. Casper  
Associate Manager

Lawrence C. Larson  
Superintendent of Agents

# 1794 1931

THE INSURANCE COMPANY  
OF THE  
STATE OF PENNSYLVANIA  
PHILADELPHIA, PA.

Fire—Lightning—Windstorm—Automobile—Tourist  
Baggage—Inland Transportation—Parcel Post  
—Use and Occupancy—Rent and  
Perpetual Insurance

Acquire  
THE OLD "STATE OF PENN"

miums for the first half will show approximately \$450,000 decrease, compared with the same period last year. Of the 40 leading companies in premium volume only 13 will show an increase, according to early figures, while material decreases occur in a number of instances. The Home of New York continues in first place which it has held for many years, with \$92,983 premiums, compared with \$98,551 for the period in 1930. The Liverpool & London & Globe remains second with \$84,263 against \$93,107 last year; Fireman's Fund third with \$81,291 against \$84,381. The Aetna jumps to fourth from sixth with \$76,478 against \$81,927, the Firemen's of Newark jumps from eighth to fifth place with \$75,543 against \$58,761. Other leaders with premiums for the period and corresponding figures last year are:

	1931	1930
Continental	\$72,708	\$82,244
U. S. Fire	52,032	82,017
North America	51,291	65,738
Hartford	49,729	47,718
Royal	48,531	57,192
California	46,381	52,156
Fire Association	44,378	55,751
Merchants Fire Assn.	43,733	40,500
Pacific National	43,598	44,113
North British	41,250	47,325

### Threat of "Rate War" Passes

#### Pacific Board Decides to Meet Non-Board Competition in Legitimate Business Way

SAN FRANCISCO, July 22.—The rate war which threatened for a time in the territory of the Pacific Board has definitely passed out of the picture as a result of the decision reached by the board at a recent meeting. After considerable discussion on both sides of the question, it was finally decided to meet non-board competition in a legitimate business way. Instead of cutting rates, the board will make rate revisions as conditions warrant.

#### Cooler Heads Prevail

Although some members argued in favor of "meeting fire with fire," cooler heads prevailed. It is stated that for the time being the board will abandon all offensive tactics. Attention was called to the fact that the purpose of the board is mainly to stabilize the fire insurance business, and that such stabilization is more needed now than for many years past.

Along the street the action taken by the board is receiving general approval, as it is the consensus that under pres-

ent conditions a rate war would be disastrous to all concerned.

### Study Salt Lake City Hazards

SALT LAKE CITY, July 22.—Secretary J. H. Roberts of the Utah district of the Pacific Board, in a conference with officials of the chamber of commerce during the past week, said that any reduction in fire rates in Salt Lake City will depend upon the elimination of hazardous conditions pointed out in a recent report of the National board. A reduction was requested following the recent endorsement by the citizens of a \$2,000,000 bond issue for the purpose of increasing the city's water supply. At the close of the conference chamber of commerce officials said they would begin an immediate study of the "hazardous conditions" referred to in the report in question with a view to their elimination.

### Name New General Agents

SAN FRANCISCO, July 22.—Appointment by the Detroit Fire & Marine and Northwestern Fire & Marine of Harry Christinson, operating as the John D. Boyle general agency of Los Angeles, as general agent in California and that of E. Virgil Norton general agency of Salt Lake City as general agent in Utah and southern Idaho for the Southern Fire and Associated Fire & Marine were approved at a meeting of the Pacific Board's general agency committee.

### Montana Ruling Issued

Insurance Commissioner Porter of Montana has ruled that all building and loan associations acting directly as agents of insurance companies or directing borrowers to insure in any special insurance company or acting in any manner for any special insurance company must hold an agent's license for that company.

### Brandt Gets Commercial Union

SAN FRANCISCO, July 22.—W. B. Brandt & Co. of San Francisco, all-risks and inland marine general agents, have been appointed general agents for the inland marine department of the Commercial Union group. The appointment was effective as of July 1. For some years the firm has specialized on "all-risks" coverage and has been highly successful in the development of that

business. It has offices in New York, Chicago and Los Angeles as well as San Francisco.

### Open Coast Department

SAN FRANCISCO, July 22.—A Pacific Coast department is being here established by Newhouse & Sayre under the direction of C. W. Jones, with offices being located in the Pacific National Bank building. H. J. Toso, for several years with W. B. Brandt & Co., has been appointed assistant manager.

### Blow Discusses Legislation

Ben Blow, field secretary National Automobile Club, was the principal speaker at the July meeting of the Long Beach, Cal., Association of Insurance Agents. He discussed the insurance legislation effected at the 1931 session of the legislature.

### Wallace to Los Angeles

LOS ANGELES, July 22.—A. G. Wallace, vice-president Woodward-Phipps general agency of San Francisco, has moved his headquarters to Los Angeles to supervise the agency's southern California and Arizona business.

## Mountain Field Activities

### Hit Non-Resident Brokers

#### Company Claims 24 Percent of Those Licensed in Colorado Are Out-of-States

DENVER, July 22.—"Who recommends the competency of non-resident brokers who are taking business away from you?" the National of Denver asks its agents in seeking their assistance in driving non-resident brokers from the field. It declares that 24 percent of all brokers licensed in Colorado are non-residents; admitting this is not the fault of the insurance department, but complaining against the law which permits licensing a non-resident broker who obtains the recommendation of three responsible Colorado citizens.

A plea for ethical practices was voiced by C. H. Creech of the Wilson-Creech agency, former home-office official of the Continental and of Crum & Forster. He said well-conducted agencies are jeopardized by a vast number of pseudo-agencies; that in Denver as high as 70 licenses have been issued for some companies with a coast-to-coast hook-up of brokers. This is merely a form of legalized rebating, he said. For improvement of these conditions he favors formation of the country-wide organization of fire company executives to promote ethical competitive conditions.

### Need State Aid

DENVER, July 22.—Since the opening of the Denver arson office under direction of H. P. Ruthenberg of the National Board, it is said the aid of a state official with authority to compel investigations of fires of questionable origin is needed. The police authorities of this city, it is said, are cooperating with Mr. Ruthenberg's office splendidly, but that spirit is not evident in many smaller communities. It is claimed there is need of the command of a state fire marshal when the fire chief of an outlying city declines to investigate because he is told by higher-ups to keep quiet.

### Henne Speaks to Fieldmen

DENVER, July 22.—E. A. Henne, Chicago, vice-president America Fore, who has been vacationing in Colorado, addressed the quarterly fieldmen's con-

ference of Cobb, Miller & Stebbins, general agents.

## Mountain Notes

R. R. Wilde, New York, assistant secretary Corroon & Reynolds, was a Denver visitor last week.

George Webster, Webster-Deeds Adjustment Company, is in the Alamosa (Colorado) hospital, following a fall from a roof damaged by fire. He suffered temporary paralysis in one side, but is believed on the road to complete recovery.

## Eastern States Activities

### New York in Drive for Men

#### A. C. Deisseroth of State Association to Set Aside Three Days for Proselyting

A. C. Diesserth, chairman membership campaign of the New York State Association of Local Agents, is calling upon each member of the association to devote Aug. 11, 12 and 13 to the business of getting new members. The membership committee has set 1,500 as its goal.

"You haven't a dollar of business on your books that you could call your own had it not been for the National Association of Insurance Agents," Mr. Deisserth in a bulletin sets out, "which procured several years ago a court decision, holding that insurance expirations belong to the producing agent."

#### Receive More Commissions

"You are receiving from 1½ to 3½ percent more commission on fire insurance than you would be receiving except for the efforts and influence of the New

## Today

Buyers of insurance are demanding the best. Realizing this the Twin City Fire has developed until it is able to serve them completely and satisfactorily in all their insurance problems.

"Writing fire, tornado, farm, automobile, hail, tractor, aeroplane damage, customers' goods, fine arts, fur coats, jewelry, fur floater, parcel post, registered mail, tourists floater, annual transit, trip transit, neon signs, merchandise sold under contract."

## TWIN CITY

Fire Insurance Company  
Minneapolis      Minnesota

## NEW YORK UNDERWRITERS INSURANCE COMPANY

CAPITAL \$2,000,000

A. & J. H. STODDART, General Agents

100 William Street - - - New York City

FIRE - AUTOMOBILE - WINDSTORM  
BUSINESS INTERRUPTION INDEMNITY

## MINNEAPOLIS FIRE & MARINE INS. CO.

700 Foshay Tower  
Minneapolis, Minnesota

Walter C. Leach, President      John D. M. McMillan, Vice-Pres.  
A. C. Holmgren, Secretary

FIRE—TORNADO—AUTOMOBILE—INLAND MARINE



York State Association. Every automobile risk on your books would now be written by some automobile club, had it not been for the association.

"Within the last year your commissions on casualty insurance would have been materially reduced had it not been for the National association. The agency system of transacting business would have passed out of existence years ago, and even now would hardly last over night, except for the tremendous influence of the state and National associations. We are putting on this three day campaign to make every worth while agent a member of our association, to strengthen the organization and its influence all for the protection of your business.

"Every non-member agent in the state will be circularized in advance of the campaign. Will you make the follow up calls on the dates indicated?"

### Assessment Ordered by Court

#### Pennsylvania Supreme Court Directs Levy Against Policyholders of Spring Garden Mutual Fire

Reversing the decision of the court of common pleas of York county, Pa., the supreme court of Pennsylvania has ruled that an assessment must be levied against policyholders of the defunct Spring Garden Mutual Fire to satisfy the claim of the First National Bank of York, which had lent the company money on notes.

The court of common pleas had held that an assessment need not be made because the bank failed to show that the proceeds of the note were used to pay fire losses, proper expenses, or for other legal purposes during the term of any particular policy. The bank was required, according to the ruling of the lower court, to prove the purposes for which the money was used and that particular policies were affected thereby before an assessment could be levied. "The court below," the supreme court stated, "held the bank to too strict a duty."

#### Proper View of Problem

"The situation must not be viewed," according to the supreme court, "as though the company were proceeding against a policyholder but as a creditor pursuing the members. When a company sues, it has within its control all the evidence pertaining to this question. It knows or has the means of knowing how the money was applied, and if to pay off losses by fire, which losses, or for what other purposes it was applied.

"When a creditor attempts to force the state liquidator to make an assessment, all that is necessary to show is that the money borrowed or credit given was within statutory authority of the company and was lawfully borrowed or loaned. It would be grossly unfair to

require the bank, before an assessment is made, to follow money lawfully borrowed, account for its application, or in default, to refuse an assessment, thus precluding recovery."

The case was titled Thomas J. Baldridge, attorney-general, vs. Spring Garden Mutual Fire.

### Free Riot Cover in Trouble Centers Prevents Sale Now

Despite labor troubles in Pawtucket, R. I., and threatened at Paterson, N. J., there has been little call for riot and civil commotion insurance from either industrial center; the supposition being that so far as the Rhode Island mills are concerned this form of coverage is afforded as supplemental to the fire contract, which includes as well liability for damage through falling aircraft. The factory insurance association circularized its members a month ago, advising of the extension of the fire policy cover, the additional hazards being assumed without increased charge. The New York department forbade the move in that state, holding that a specific charge must be levied for each additional hazard.

### Newark Half-Year Losses

NEWARK, July 22.—The estimated fire loss for the first half of 1931 for Newark, has been given out as \$784,487 by the Underwriters Protective Association. It is believed that the final figures will be somewhat below this amount.

### Mount Vernon Is Criticized

National Board engineers report the gross fire loss for the past five years in Mt. Vernon, N. Y., at \$380,806, with the average loss per fire \$412, "a low figure," and the average loss per capita \$1.36, "a low figure."

There is an adequate source of water supply, but with single supply main and distribution system of inadequate carrying capacity. The fire department is well equipped, but seriously undermanned and untrained. The fire alarm system is modern, adequate and reliable.

In the principal mercantile district construction is weak from a fire resistive viewpoint and serious group fires are probable but should not extend beyond the block of origin. In the manufacturing and minor mercantile districts severe individual to group fires are probable.

### Bruns Incorporates

SYRACUSE, July 22.—The Bruns Company, Syracuse, has been chartered to engage in a general insurance business. The incorporators are Fredrick V. Bruns, Mary E. Kelley and Joseph Meatyard.

## NEW ENGLAND NEWS

### Boston Agencies Are Merged

#### Victor de Gerard Co. and Meade Co. Join in City District; Meade Becomes President

BOSTON, July 22.—The Boston interests of the general agency and brokerage firms of Victor de Gerard Company of Boston, New York and Washington, and John Pauling Meade Co. of Boston, have been amalgamated. The offices will operate in the Boston district under the name of John Pauling Meade Company with offices at 45 Kilby street, representing 21 companies. Officers are: President and general manager, J. P. Meade; vice-president and assistant general manager, James Roosevelt, son of Governor Roosevelt of New York; vice-president, Victor de Gerard;

treasurer, H. W. Doyle; vice-president and corporation clerk, L. D. MacNutt; assistant treasurer, J. A. Monahan.

#### History of Firms

The Meade office is one of the older and best known in the city. Mr. Meade entered the business in 1901. Formerly he was eastern Massachusetts manager for the American Fidelity of Montpelier, Vt.; general agent Hartford Accident and later general agent Employers Liability. The office controls several accounts of national importance.

Mr. Gerard came to Boston a short time ago and was first with the John C. Paige Co. office. He organized his own office in 1930 and recently opened offices in New York and Washington. The firm controls several large accounts and is the largest general agency of the Maryland Casualty in New England.

## The NEW JOHN HANCOCK PLAN for maintaining the FAMILY INCOME

ALWAYS the main purpose of the life insurance policy has been to protect dependents—usually wife and children. When the children reach the period of self-support, a part of the protection is not so necessary; but it is necessary during the period of greatest dependency.

Many insurance plans have been devised for taking care of children during such years, especially to provide means for completing their education, at least through high school; generally through college.

Recently the demand for a secured monthly income during this dependency period, in addition to the essential clean-up fund, has grown to an extent requiring special arrangements. To meet this demand and simplify the plan, the John Hancock Mutual Life Insurance Company offers its *Family Income Provision* attached to new and existing policies in the form of a rider.

Many investment and life insurance programs have been interrupted or changed by economic conditions; but individual and family responsibility is just as great, if not greater, than ever. Recognizing these facts, we offer this opportunity to have the effectiveness of existing insurance materially increased for the dependency period at moderate cost.



For those who may be interested in details, our pamphlet, "Income for the Family" will be furnished on application. Address John Hancock Inquiry Bureau, 197 Clarendon Street, Boston, Mass.

## HUMAN

Many agents still believe a Company must be cold-blooded. Forty-eight years have proven to us that the GOOD agent appreciates real "home-folks" relationship.

We believe you will find it in the

## SECURITY FIRE INSURANCE COMPANY

DAVENPORT, IOWA

Protection Since 1883

#### Insurance Audits

#### Budgetary Control

### Scovell, Wellington & Company ACCOUNTANTS—ENGINEERS

10 East 40th Street—New York

Boston Springfield Philadelphia Syracuse Cleveland Chicago Kansas City San Francisco

# A DIRECTORY OF RESPONSIBLE INDEPENDENT ADJUSTERS

## CALIFORNIA

Executive Claims Service—  
Casualty and Surety Adjustments and Subrogation  
**HOLBROOK-SHAW & CO.**  
Roosevelt Bldg., Los Angeles, Cal.  
Vandyke 6790  
Managed by Former H. O. Claims Executives

**MILO H. NEIDIG**  
INSURANCE ADJUSTMENTS  
Representing Companies Only  
Formerly Assistant General Manager,  
Pacific Coast Adjustment Bureau  
542 Adam Grant Building  
San Francisco, Cal.

## COLORADO, WYO., &amp; N. MEX.

**CHARLES W. KRUEGER**  
Adjuster  
(Formerly of Wilson-Krueger Adjustment Co.)  
Over Twenty Years Experience  
Prompt, Personal Service  
942 Gas & Electric Bldg. DENVER, COLO.  
Colorado Wyoming New Mexico

**Southwestern Adjustment Company**  
Adjusters of Insurance Losses  
All Modern Coverage  
900 Gas & Electric Bldg., Denver, Colo.  
725 First National Bank Bldg.,  
Albuquerque, N. M.  
1201 Bassett Tower, El Paso, Texas

**Webster-Deeds Adjustment Co.**  
Adjustments for Companies Only  
Insurance Claims—All Branches  
Fire, Automobile, Air Craft, Casualty,  
P. D. & P. L.  
981-984 GAS & ELECTRIC BUILDING  
DENVER, COLORADO

## DISTRICT OF COLUMBIA

**NICHOLS COMPANY**  
INSURANCE ADJUSTMENTS  
Representing Companies Only  
Woodward Bldg., Washington, D. C.  
Mutual Building, Richmond, Va.  
Prompt and Courteous Service Since 1921

## FLORIDA, ALA. AND MISS.

Adjustment of Fire, Automobile and Casualty losses, and Investigations and Inspections, in West Florida, Southern Alabama and Southern Mississippi promptly handled.  
F. L. MILLER, Independent Adjuster  
Phone 2429 P. O. Box 1400  
Pensacola, Fla.

## ILLINOIS

**G. W. ROBSON, JR.**  
General Adjuster for the Companies  
City National Bank Building  
Office Phone, 59 Residence 479-J  
CENTRALIA, ILLINOIS  
All Assignments Given Personal Attention

**L. E. JENKINS**  
Complete Claim Service for the  
Companies—All Casualty Lines  
Suite 1942-176 W. Adams Street  
Tel. Randolph 5448. Chicago, Ill.

**ARTHUR L. LADD & CO.**  
CLAIM DEPARTMENT  
SERVICE TO INSURANCE COMPANIES  
We Will Handle One Case or All Your Cases  
EVERY KIND OF INSURANCE CLAIMS  
A-2027-31 Insurance Exchange, Chicago  
Phone HARRISON 9035

## ILLINOIS (Cont.)

**WILSON S. LEVENS & CO.**  
A-1315 INSURANCE EXCHANGE, CHICAGO  
Fire, Auto, Inland Marine, and Casualty

**MARTIN**  
ADJUSTMENT CO., Inc.  
Automobile, Burglary and Inland  
Marine Adjustments  
A-1330-32 Insurance Exchange, Chicago  
Harrison 9514

**THOMAS T. NORTH**  
ADJUSTMENT COMPANY  
Automobile—Fire, Theft, Collision,  
Conversion, Liability, Property Damage  
Inland Marine, Burglary  
175 W. Jackson Blvd. CHICAGO Harrison 3230

**JOSEPH RICE & CO.**  
INVESTIGATIONS & ADJUSTMENTS  
ALL CASUALTY LINES  
Chicago Office Milwaukee Office  
906 Ins. Exch. Bldg. 601 Guaranty Bldg.

**OSCAR A. MORRIS**  
ADJUSTER  
JACKSONVILLE, ILLINOIS  
Fire, Automobile and Casualty  
Losses for Companies Only

**Angus B. Ferdinand**  
ADJUSTER  
Jefferson Bldg. Phone 6057  
**PEORIA—ILL.**  
"Oldest & Most Reliable"

**Associated Adjustment Bureau, Inc.**  
410 South Fifth St. Springfield, Ill.  
Phone Main 2506  
Adjustments, Inspections, Investigations,  
Subrogations, for Insurance Companies only,  
covering all of Central and Southern Illinois.

## INDIANA

**INDIANA ADJUSTMENT CO.**  
Automobile and Casualty Adjustments  
Separate Offices at  
INDIANAPOLIS  
FORT WAYNE  
TERRE HAUTE  
EVANSVILLE

**ROBERT D. DENTON**  
Automobile and Casualty Lines  
914 Citizens Trust Bldg. 411 Glass Block  
Fort Wayne, Indiana Marion, Indiana

**H. G. DOUGHERTY**  
Insurance adjustments and investigations  
1019-20 Lemcke Bldg. Phone Riley 4548  
Indianapolis Indiana  
Automobile—Inland Marine—Casualty

**Eugene McIntire**  
Adjustment Co., Inc.  
Automobile, Casualty, Compensation and  
Surety Adjustments  
Eight, East Market Street  
INDIANAPOLIS

## INDIANA (Cont.)

**THOMAS T. NORTH**  
ADJUSTMENT COMPANY  
Automobile—Fire, Theft, Collision,  
Conversion, Liability, Property Damage  
Inland Marine, Burglary  
J. L. Valentine, Mgr.  
241 North Penn St. INDIANAPOLIS Lincoln 4838  
Head Office: 175 W. Jackson Blvd., Chicago

**A. M. FOLEY**  
Adjustment Bureau  
Covering N. Indiana & S. Michigan  
Automobile, Casualty, Compensation,  
Inland Marine  
Union Trust Bldg. Phone 2-2782  
South Bend, Indiana

**GENERAL INSURANCE**  
ADJUSTMENT COMPANY  
Investigation and Adjustment in  
Western Indiana and Eastern Illinois  
Automobile, Casualty and Compensation  
Terre Haute Trust Building  
Phone Crawford 7500  
Terre Haute, Indiana

## IOWA

**THOMAS T. NORTH**  
ADJUSTMENT COMPANY  
Automobile—Fire, Theft, Collision,  
Conversion, Liability, Property Damage  
Inland Marine, Burglary  
Howard E. Kopf, Mgr.  
American Bank Bldg. DAVENPORT Kenwood 1410  
Head Office: 175 W. Jackson Blvd., Chicago

## KANSAS

**KINKEL ADJUSTMENT AGENCY**  
Hutchinson, Kansas  
Adjusters for Insurance Companies  
Phone 2055

## KENTUCKY

Kentucky Southern Indiana  
**C. J. PURCELL**  
Adjuster  
Investigations and Inspections.  
Automobile Losses Exclusively.  
Especially experienced on automobile finance  
business.  
Starks Building, Louisville, Ky.

## MICHIGAN

**Roland C. Cooley Co.**  
ADJUSTERS  
Automobile—Exclusively  
320 W. Fort Street Detroit  
"Anywhere in Michigan"

**A. H. DINNING COMPANY**  
Insurance Adjusters  
Automobile -- Fire -- Marine  
944 Free Press Building  
DETROIT, MICH.  
Phone Randolph 0481

**GENERAL**  
ADJUSTING  
COMPANY  
Adjusters of Insurance Losses  
Fire, Automobile, Casualty, Marine  
1031-1033 Penobscot Bldg. DETROIT, MICH.  
Phone Randolph 1886

**Frank R. Malzone**  
and ASSOCIATES  
CLAIM SERVICE BUREAU FOR CASUALTY  
AND SURETY COMPANIES  
914 Detroit Savings Bank Building  
1212 Griswold Street  
Cadillac 0355  
DETROIT, MICHIGAN

## MICHIGAN (Cont.)

**MICHIGAN ADJUSTMENT**  
BUREAU, INC.  
Fire, Automobile & Casualty Losses  
H. C. CUNNINGHAM, Manager  
Mutual Bldg., Lansing, Mich.  
Phone 29741

## MINNESOTA

**LYMAN HANES, Inc.**  
General Adjusters  
for Insurance Companies  
FARGO and MINNEAPOLIS

## MISSOURI

**MoKanOkla Adjustment**  
Company  
Adjusters for Companies Only  
806 Temple Bldg., Wichita, Kansas  
207 Davidson Bldg., Kansas City, Mo.  
917 Insurance Bldg., Oklahoma City, Okla.  
1118 Hunt Bldg., Tulsa, Oklahoma

Northern Missouri Phone 6-1483 Northwestern Kansas  
**CLEM M. WHITE**  
Insurance Adjuster  
Inspections and Investigations for Insurance  
Companies Only  
Fire - Automobile - Casualty - Surety  
King Hill Building  
ST. JOSEPH, MISSOURI

**THOS. J. ENGLISH**  
Specializing on  
AUTOMOBILE and CASUALTY  
CLAIMS  
Pierce Bldg. ST. LOUIS, MO.

## NEBRASKA

**THE JOHN D. GARMIRE**  
INDEPENDENT ADJUSTING OFFICE  
OMAHA, NEBRASKA—EST. 1907  
Adjusters  
John D. Garmire, Omaha Jack H. Mack, Scottsbluff  
Frank A. Sucha, Omaha Fred L. Burke, North Platte  
John N. Higbee, Omaha Ray W. Hart, McCook  
Lawrence B. Clark, Lincoln

## NEW YORK

**GREENE & COMPANY**  
Public Accountants and Auditors  
Merchandise Losses  
(H. H. Greene, B. C. S.: LL.B.:  
Attorney at Law)  
Gurney Building Syracuse, N. Y.

## OHIO

**Insurance Service**  
of Canton, Inc.  
819 Renkert Bldg., Canton, Ohio  
J. A. Anderson, Mgr. Phone 5167  
Fire and Casualty Adjustments, Inspections  
and Investigations for Insurance Companies

**AUTOMOBILE ADJUSTMENT CO.**  
Charles E. Dornette, Manager  
Specializing on All Automobile and  
Aircraft Losses  
409-35 E. 7th St. Bldg. Cincinnati, Ohio  
Telephones Cherry 2992-2993

**CHARLES E. CURTIS**  
Keith Building CLEVELAND  
Thirty-eight Years Company Service  
in All Lines



## INDEPENDENT ADJUSTERS

## OHIO (Cont.)

**Van-Reed & Company**  
C. L. Harris & Company

General Adjusters  
Cleveland—905 Westland Bldg.  
Akron—412 Akron Savings & Loan Bldg.  
Youngstown—810 Mahoning Bank Bldg.  
Toledo—628 Nicholas Bldg.  
Columbus—10th Floor, Outlook Bldg.  
Cincinnati—1216 First Nat'l Bank Bldg.  
Lima—808 Lima Trust Bldg.

**THAYER'S UNDERWRITERS SURVEY CO., INC.**

502-3-4-5-6 Finance Bldg.  
E. A. Thayer, President  
N. R. Thayer, Sec.-Treas.  
750 Prospect Ave. CLEVELAND, OHIO  
Claims adjusters for the Companies in every kind of insurance loss. 30 years' experience qualifies us.

**JOHN H. McNEAL**

Auditorium Bldg. Cleveland, Ohio

Phone Main 1926

GENERAL ADJUSTERS  
ALL LINES OF INSURANCE**FRED W. PETERS**

INDEPENDENT ADJUSTER

Fire, Tornado and Automobile Losses  
1041 Third National Bldg., DAYTON, OHIO  
Twenty-Six Years Company Service

**The General Insurance Adjustment Co**

Ohio Bank Building

TOLEDO

Clifford L. Rose, Mgr.

Centrally Located Phone Us Day or Night

**Central Adjustment and Inspection Bureau**

D. R. Stettler, Manager  
VAN WERT, OHIO  
General Insurance Adjusters  
Experienced men in all parts of Ohio, Southern Michigan, Western Pennsylvania and Eastern Indiana

## OKLAHOMA

**Bates Adjustment Company**

"We have served the companies for more than thirty years"

Oklahoma City, Okla. Tulsa, Okla.  
W. S. Hanson, Mgr. R. W. Murray, Mgr.

**THE FULLER ADJUSTMENT COMPANY**

Prompt Adjustment Services  
Provided in Oklahoma

Offices at

Oklahoma City Tulsa, Okla.  
215 Merc. Bldg. 440 Philcade Bldg.  
Carl Edwards, Mgr. L. M. Hallock, Mgr.

**C. R. WACKENHUTH**

Adjuster for Stock Companies Only

TULSA, OKLAHOMA

3160 South Owasso St. Phone 2-5460

## OREGON

**FRANK ALLYN, INC.**

Established 1915

American Bank Building Portland

Automobile, Casualty, Burglary,  
Aircraft, Inland Marine  
Branch offices throughout the Pacific Northwest

RALPH R. SOWERS E. A. YARTER

**SOWERS AND YARTER**

Insurance Adjusters

Telephone Beacon 3709  
614-615 Terminal Sales Building  
PORTLAND, OREGON

## PENNSYLVANIA

Adjusters and Investigators for the companies

**The Standard Adjusting Company**

Western Penna. Eastern Ohio  
Northern W. Va.  
(We specialize in preparing cases for trial)  
C. D. ROCHE 210-211 Keystone Building  
Manager 324 Fourth Avenue  
Pittsburgh, Pa.

## TENNESSEE

Insurance Adjustments in Tenn., Miss., Ark., Mo., Ky. and Ala.

Prompt and Personal Service

D. C. VORUS, Adjuster

Shrine Building, Memphis, Tenn.  
(14 years for the companies)

## TEXAS

**C. E. DE WITT**

Insurance Claims Service

Representing Insurance Companies Only  
1522 Kirby Building, DALLAS  
Specializing in Casualty and Automobile  
Investigations and Adjustments

**C. Perry Claim Service**

Southwestern Life Bldg. Dallas, Texas

Automobile, Casualty, Burglary  
Aircraft, Inland Marine  
"Any Where in Texas"

**Southwestern Adjustment Company**

Adjusters of Insurance Losses

FRED P. COOKE, Manager

1201 Bassett Tower, El Paso, Texas

Offices

880 Gas &amp; Electric Bldg., Denver

725 First National Bank Bldg., Albuquerque, N. M.

## WASHINGTON

**FRANK ALLYN, INC.**

Established 1915

Mehlhorn Building Seattle

Automobile, Casualty, Burglary,

Aircraft, Inland Marine

Branch Offices: Spokane, Tacoma, Aberdeen  
Wenatchee and Portland, Oregon  
Service Units in other Pacific Northwest Cities

## WISCONSIN

**Rehfeld Adjusting Company**

General Insurance Adjusters

State Bank of Wisconsin Bldg.

Madison, Wisconsin

Telephone Badger 1621

**THOMAS T. NORTH**

ADJUSTMENT COMPANY

Automobile—Fire, Theft, Collision,  
Conversion, Liability, Property Damage  
Inland Marine, Burglary

A. E. S. Prior, Mgr.

490 Broadway MILWAUKEE Marquette 3938

Head Office: 175 W. Jackson Blvd., Chicago

**NURNBERG ADJUSTMENT CO.**

General Adjusters

Representing Stock Companies Only

Underwriters Exchange Bldg.

MILWAUKEE

828 N. Broadway Phone Daly 5428

Goodwin Block BELOIT OFFICE Phone 3753

## ORDER 1932 CALENDARS NOW!

Special 12-sheet rotogravure calendar with a timely insurance picture for every month. Heavy board backs. Get the exclusive franchise for your town. Send 10c for sample of Fire or Life Calendar to: The National Underwriter, A-1946 Insurance Exchange, Chicago.

Among directors of the agency are H. D. Hart, H. J. Adair and E. S. Perot.

**Hotel Line to Brokers**

A line of approximately \$800,000 on a well known Connecticut resort hotel is being offered by a New York brokerage firm, coupled with the stipulation that 15 percent brokerage be allowed thereon. Heretofore the business was placed by

local agencies in different Connecticut towns.

Fete C. W. Elwell

BOSTON, July 22.—C. W. Elwell, who this week assumes the duties as manager of the Boston office of the General Adjustment Bureau, was guest of his former associates in the eastern department of the Fireman's Fund at dinner last week.

## MOTOR INSURANCE NEWS

**To Operate in Two States**

**Union Automobile of Los Angeles Will Confine Its Operations to California and Oregon**

The Union Automobile of Los Angeles hereafter will confine its operations to California and Oregon. The liability in all other states has been reinsured. It will have a premium income of about \$3,000,000 in the two states. In Minnesota, Iowa and Colorado the business was reinsured in the Ohio Casualty of Hamilton, O. Louisiana is reinsured in the Associated Indemnity. Arrangements are being completed to take care of the business in other states. The Insurance Investors Corporation now controls the Union Automobile. It is the holding company of the Nevada Fire of Reno. J. L. Maritzen is vice-president and general manager of the Union Automobile.

The Union Automobile will go into the multiple line casualty business in California and Oregon. It has \$300,000 capital. On Jan. 1 it showed assets \$3,803,073, premium reserve \$1,488,326, net surplus \$143,598. Its total premiums last year were \$3,505,235.

**Jaycox Is Out of Company**

**Geo. L. Truitt Is in Sole Charge of Insurance Operations of Interstate Mutual**

E. E. Jaycox has retired from the official list of the Interstate Mutual Automobile of Chicago. L. H. Vaughan, head of Vaughan's Seed Store is president and George L. Truitt, well known insurance man, is vice-president and manager; A. F. Crosby, general sales manager and vice-president of the American Cross Arm & Conduit Co.,

secretary and treasurer. Other directors are George A. Eddy, president Goss Printing Press Company; R. C. Stirtion, president Associated Apparel Industries; F. A. Russell, sales manager Cracker Jack Company; L. S. Tiffany, president O. W. Richardson & Co.; C. H. Brinton, vice-president Standard Cap & Seal Co.; C. M. Lindsey, retired capitalist; M. Hirsch, president American Scale Company; A. H. Gairns, district manager American Car & Foundry Co. The company writes full cover automobile insurance. Mr. Jaycox has become an insurance broker in the Monadnock building.

**Baltimore Thefts Increase**

BALTIMORE, July 22.—More automobiles were stolen here in the first six months of this year than any other similar period in the history of the police department. A total of 1,865 machines were reported stolen, of which 189 are still missing. In the first six months of last year the number of automobile thefts was 1,377 with 1,347 recoveries. Five years ago the total number of thefts for the first six months was 1,450.

**Misrepresent Club Service**

BUFFALO, July 22.—Following an investigation by the New York state attorney-general, warrants have been issued for Manager Jacob Simon and two employees of the Pacific Auto Service Company of America, with headquarters in this city.

The attorney-general's representatives claim the Pacific company improperly represented its service to motorists, inferring if not making the open statement that fire, theft and liability insurance were included in the payment of stipulated fees. As a matter of fact no such protection is given in the contract, it was charged at a preliminary hearing in the Buffalo city court.

## MARINE INSURANCE NEWS

**Cites Unauthorized Practice**

**Ohio Superintendent Frowns on Merchants Covering Furs, etc., All-risk Under Master Policies**

COLUMBUS, O., July 22.—A practice of some Ohio merchants which borders on usurping the functions of agents comes to light with a statement from Superintendent C. T. Warner. He says some concerns are ignorantly or willfully violating insurance law in this respect.

"Many department stores," Judge Warner says, "furriers and garment cleaning establishments, and other merchants have obtained from insurance companies 'all risk' cover on fur garments which are insured, not only while stored or in the custody of such concerns, but commonly protecting the owner against all perils, except damage by vermin, for the period of one year."

"Certificates of insurance underlying a master policy are provided to the merchant, or sometimes devised by the merchant himself, and these are offered to the public in newspaper advertise-

ments, and by verbal solicitation so that the general public is led to believe that the merchant is selling insurance direct to his customer.

"The charge for such insurance services," Judge Warner continues, "is commonly included in storage or renovation charges by the merchant, who thus unlawfully engages in the insurance business by unauthorized solicitation, issue of insurance certificates and handling of insurance premiums without the countersigning of the policies by the agent as provided by law."

Judge Warner says he appreciates that this coverage differs from ordinary risks, is a protection to which the insuring public is entitled, and is not sought by agents generally, however, the inconvenience to merchant, agent or customer, he says, cannot be permitted to outweigh the positive law.

"Insurance companies should cease to furnish master policies and underlying certificates to anyone where publicity misleads the general public as to insurance," he concludes. "I have requested cooperation of all companies writing this class of insurance, to the end that abuses complained of may be eliminated."



# Insurance Attorneys



A Directory of Responsible Attorneys Specializing in Insurance Law

## CALIFORNIA

### Dinkelspiel & Dinkelspiel

333 Montgomery St. . . . Garfield 8430  
14th Floor Pacific National Bank Bldg.  
San Francisco, Calif.

Associates  
Henry G. W. Dinkelspiel David K. Lerner  
Martin J. Dinkelspiel Alfred J. Stern  
John Walton Dinkelspiel Hiram E. Casey  
All Phases of Insurance Litigation  
and Business

## CANADA

### Mehr & Mehr

Barristers & Solicitors  
Canadian Pacific Building  
Toronto, Ontario

Counsel for National Surety Company, London Guarantee, & Accident Company Limited and United States Casualty Co.

## GEORGIA

### Bryan & Middlebrooks & Carter

Atlanta Candler Building GEORGIA  
Shepard Bryan W. R. Tichenor  
Grever Middlebrooks W. Colquitt Carter  
Chauncey Middlebrooks Edward B. Everett, Jr.  
O. W. Russell M. H. Meeks  
FIRE, LIFE AND CASUALTY  
Insurance Litigation in the Southern States

## ILLINOIS

### Bradley, Harper & Kiggins

33 South Clark St.  
Chicago, Ill.

Insurance claims and litigation, all classes.  
Insurance Department and legislative matters,  
and general insurance counsel.

### Cassels, Potter & Bentley

1060 The Rookery  
CHICAGO

### EKERN & MEYERS

Insurance Attorneys  
One La Salle St.  
CHICAGO

### Silber, Isaacs, Silber & Woley

Attorneys & Counselors  
Home Insurance Building  
CHICAGO  
Special Attention to the Law of  
Fire Insurance and Taxation

### BROWN, HAY & STEPHEN

714 First National Bank Bldg.  
SPRINGFIELD

## INDIANA

George A. Henry Delbert O. Wilmet

### HENRY & WILMETH

Insurance Attorneys  
504-5 Meyer-Kiser Bank Building  
Indianapolis, Indiana  
Specially equipped to handle  
Investigations—Adjustments—Litigation

### Slymaker, Merrell, Ward & Locke

Attorneys specializing in All Phases of  
Fire, Marine, Life & Casualty  
Insurance Litigation  
751-760 Consolidated Bldg.  
INDIANAPOLIS

## INDIANA (Cont.)

### Clarence C. Wysong

PRACTICE LIMITED TO  
INSURANCE LAW

722 Circle Tower Indianapolis, Ind.

## IOWA

Jesse A. Miller  
Frederic M. Miller

Oliver H. Miller  
J. Earle Miller

### Miller, Miller & Miller

Lawyers  
1316-1318 Equitable Building  
Des Moines

### Parrish, Cohen, Guthrie, Watters & Halloran

Attorneys and Counselors at Law  
Register and Tribune Building  
DES MOINES

## KANSAS

### Ebright, Burch & Patterson

Attorneys-at-Law  
Brown Building Wichita  
General Insurance, Fire, Casualty and Surety  
Practice—Facilities for Investigations and  
Adjustments

## MICHIGAN

### DUNHAM & CHOLETTE

ATTORNEYS AT LAW  
1012-1016 Grand Rapids National Bank Bldg.  
GRAND RAPIDS

## MINNESOTA

### Mitchell, Gillette & Carmichael

12th Floor, Alworth Bldg.  
Duluth  
Insurance Litigation  
Special Department for  
Investigations and Adjustments

### Geoffrey P. Mahoney

Attorney and Counselor  
631 Metropolitan Bank Building  
Minneapolis, Minnesota  
Investigation and Adjustment of Claims

### ERNEST E. WATSON

All Lines  
Represent Companies Only  
Including Defense of Negligence  
936 Andrus Bldg. Minneapolis

### BUNDLIE KELLEY

ST. PAUL  
Maintain department for adjust-  
ment and investigation of claims.

### ORR, STARK, KIDDER & FREEMAN

11th Floor, Minnesota Bldg.  
ST. PAUL  
INSURANCE LITIGATION  
Special Department for  
Investigations and Adjustments

## MINNESOTA (Cont.)

### SEXTON, MORDAUNT, KENNEDY & CARROLL

Adjusters and Investigators sent to any place  
in the Northwest

Pioneer Building, Security Bldg.,  
St. Paul, Minn. Minneapolis

## NEW JERSEY

### SAMUEL M. HOLLENDER

COUNSELOR AT LAW  
2704-2710 Lefcourt Newark Building  
11 Raymond Blvd., Newark, N. J.  
Telephone 1140-1 Market

Specialist in the Law on Breach of Warranty  
and General Insurance Cases

## NEW YORK

David F. Lee, David Levine, Edwin F. Verrean

### LEE, LEVENE & VERREAU

TRIAL LAWYERS  
316 Security Mutual Bldg.  
Binghamton, New York  
Insurance attorneys. Especially equipped to handle  
investigations, adjustments and litigation over con-  
tinal New York.

## OHIO

### ROBERT A. KRAMER

Attorney and Counselor at Law  
Insurance Specialist  
Also facilities for investigation in Ohio, In-  
diana, Kentucky and West Virginia  
704-5 First National Bank Building  
Cincinnati, Ohio

CINCINNATI, and radius two hundred miles

### JOSEPH H. WOESTE

Attorney and Counselor at Law  
For Insurance Interests  
Trial Specialist  
Staff of Lawyers available for casualty and  
other adjustments  
205-6-7 Atlas Bank Bldg. Tels. Main 6227-9

Rees H. Davis Fred J. Young

### DAVIS & YOUNG

Attorneys at Law  
General Insurance, Fire, Casualty & Surety  
Practice. Also facilities for investigations  
over Northern Ohio.  
Guardian Bldg. CLEVELAND

### KNEPPER, WHITE, SMITH & DEMPSEY

44 East Broad Street  
COLUMBUS, OHIO  
Trial Work—Investigations—Adjusting

### MATHEWS & MATHEWS

Attorneys At Law  
25 North Main Street  
DAYTON

### WM. A. FINN

ATTORNEY AT LAW  
General Insurance, Casualty & Surety Prac-  
tice. Exceptional facilities for Investigations  
over entire State of Ohio.  
628 Nicholas Bldg. TOLEDO

Harold W. Fraser Stanley J. Hiett  
George R. Wall John M. Zuber  
John W. Winn Richard B. Swartzbaugh

### Fraser, Hiett, Wall & Effler

ATTORNEYS  
Suite 710 Home Bank Building  
TOLEDO, OHIO

## OKLAHOMA

### Rittenhouse, Lee, Webster & Rittenhouse

American National Bank Bldg.  
OKLAHOMA CITY

## SOUTH DAKOTA

### BAILEY & VOORHEES

Charles O. Bailey (1880-1928)  
Ray F. Bruce  
John H. Voorhees Melvin T. Woods, Jr.  
Theodore M. Bailey Roswell Bottom  
BAILEY-GLIDDEN BUILDING  
SIOUX FALLS  
INSURANCE PRACTICE

## TENNESSEE

### WILLIAM HUME

NASHVILLE

## WASHINGTON

### ROBERTS, SKEEL & HOLMAN

Alaska Building  
John W. Roberts Wm. Paul Uhlmann  
E. L. Skeel Everett O. Butts  
Tom W. Holman Guy B. Knott  
Tyre H. Hollander A. P. Curry  
Glen E. Wilson W. E. Evensen, Jr.  
Edward Hutcheson M. Henke, Jr.  
Frank Hunter  
SEATTLE

## WISCONSIN

### Chester D. Richardson

Casualty Insurance  
KENOSHA, WIS.  
1-2 Dale Block Telephone 2-2811

### BLOODGOOD STEBBINS & BLOODGOOD

382 East Water Street  
MILWAUKEE  
Representing U. S. Fidelity & Guaranty  
Company, Metropolitan Life Insurance Com-  
pany, Globe Indemnity Company

### JAMES E. COLEMAN

Insurance Attorney  
1434 Bankers Bldg., Milwaukee, Wis.  
Claim Department to Investigate and  
Adjust Claims for Companies

### GERALD P. HAYES

Attorney  
Insurance litigation and claim work in any  
part of Wisconsin  
905 1st Wis. Natl. Bank Bldg.  
Milwaukee

### THIS IS IT!

A Real Rate Finder and Cancellator  
Shows the percentage of earned pre-  
mium all worked out. No calculating—  
simply find the percentage by reading off  
the arrow from circular columns on a  
dial.

Only earned premium finder that takes  
you to the percentage without a single  
calculation. All that is left to do is apply  
the percentage to the premium. Accurate  
within 4 cents on \$100 premium, any  
period one day to 3 years. Greatest  
time-saver ever introduced—absolutely  
accurate.

### THE DISCOMPUTER

\$2.00  
The National Underwriter  
175 Jackson Blvd. Chicago



## Recent Surety Decisions Attracting Attention

There have been some interesting decisions involving surety cases. The Indiana appellate court in *Detroit Fidelity & Surety vs. Bushong* passed on a builder's bond. The contract provided that 85 percent should be paid on the estimates as the work progressed on the tenth of each month. The 15 percent was to be retained until 61 days after completion. On July 18, while the building was being constructed, Bushong conveyed realty to the builder as a payment for \$6,000 on account. The surety did not know of this. The question is whether the premature payment made by the obligee was such a variation as to release the surety. The lower court found for the plaintiff. The higher court appealed to reverse the judgment. It held that there was a total failure on the part of the obligee to abide by the terms of the building contract secured by the bond, in that six days after payment of one of the estimates he made a payment when no payment should have been made until the tenth of the following month.

The Florida supreme court in *Blank et al. vs. Roman* held that the express terms of the statute require that where a trial is had before a jury, the jury shall fix the value of the property for the forthcoming of which the defendant is to be held responsible. The essential requirements of the law were not followed in the proceedings. Therefore, the judgment of the circuit court affirming the judgment of the civil court against the defendant and his sureties on the forthcoming bond should be quashed.

The California district court of appeals of the first appellate district in *Roberts Thomas & Co. vs. Allen et al.* interprets the corporate securities act on the liability of the surety of stockbrokers. In this action the brokers and surety were sued for damages for breach of contract. It seems that the defendants had agreed to purchase a certain number of shares of stock in a corporation being formed and sell them at a certain price. It was also agreed that the stock would be repurchased if it found its way into the market and was purchased at less than a certain price. The stock appeared on the market and was purchased by plaintiff's assignor at a price less than that fixed in the agreement. The defendants refused to repurchase the stock. The court holds that although the defendants were not brokers in the transaction in the strict sense of the word, the transaction was one within the terms of the corporate securities act. The defendants' surety was liable if they failed to faithfully perform their obligations. The higher court holds that the trial court erred in sustaining the surety's demurrer to the complaint on the ground that it failed to state a cause of action against it. The judgment in favor of the Columbia Casualty was reversed.

The United States circuit court of appeals of the 9th circuit in Idaho in case of *Fidelity & Deposit vs. United States* passes on a bail bond. Colgate, who had a bail bond in the F. & D. was arrested. On the day set for trial he appeared in court but his case was not immediately called. Shortly before noon he went home and became intoxicated. His case was called at 1:30 p. m. About that time he left for Spokane outside the jurisdiction of the court. His bond was declared forfeited. The surety located him and five days later he returned. Section 601, Title 18, U. S. C. A., provides that when a bond is forfeited the court may remit it if there has been no "willful" default of the party. The government brought action

on the bond and the surety set up this statute. Judgment was rendered for the plaintiff. On appeal, the higher court held that this was correct. It declared that it cannot be said that the facts did not warrant the inference drawn by the trial court that the default was "willful."

The Ohio court of appeals in *Standard Accident vs. National Fire Proofing Company* takes a case where employee of the Proofing company, a subcontractor, while engaged in his work was struck on the head and killed by a falling brick which had been disengaged from a freshly laid wall. The workman who kicked the brick loose was in the employ of the general contractor. The administrator of the estate adjusted its claim with the contractor who secured the money from the Standard Accident, which carried a policy indemnifying the insured for losses occasioned by wrongful acts. The plaintiff called upon the defendant to reimburse it for the money so advanced, predicated the claim upon the terms of the contract between the principal contractor and defendant subcontractor. Section eight of the contract provided, "The subcontractor further agrees to indemnify and hold the owner and contractor harmless from any and all loss or damage which the owner and contractor, or either of them may sustain on account of any claim, demand or suit made or brought against the contractor by or on behalf of any employee of the subcontractor."

The higher court holds that the indemnity provided in the contract extended to claims made "by or on behalf of any employee of the subcontractor." The claim in this case was made by reason of the death of an employee of the contractor but it was not made by or on his behalf. The plaintiffs are held to the strict limits of the language employed in the contract under consideration and it is not broad enough to include an action for wrongful death because such action is not brought by or on behalf of any employee of the sub-

contractor. Judgment for the defendant is therefore affirmed.

The North Carolina supreme court decides a case of a guardian bond. It holds that a surety corporation allowed by statute to give guardian bonds, C. S., 339, is held to the same liability on a bond given by it as an individual would be, and is responsible to the ward when the guardian's failure to properly perform his duties causes losses to the ward's estate. A bank authorized by its charter to also act as guardian breaches its duty when it commingles its ward's funds with those of its general depositors, and, where after such wrongful act the bank fails, the surety on the guardian's bond is liable for the loss occasioned thereby to the ward's estate. *State ex rel. Roebuck v. National Surety.*

The Washington supreme court in the *United States Fidelity & Guaranty vs. City of Montesano* passes on a case where a company was on the bond of contractors who were building a bridge for the city. The sureties paid a material man's lien, timely filed against that bond. Before the filing of the lien claim, and prior to the expiration of 30 days after the acceptance of the bridge, the city paid the contractors the retained percentage on the contract. The surety instituted action against the city to recover the amount the city was required by the contract and by the statute to retain for 30 days after the acceptance of the bridge. The court holds that to the extent that the surety has paid the claim of the materialman in pursuance of its contract, it is entitled to be subrogated to the rights which the contractors would otherwise have had in the fund which, by the contract, was required to be reserved as security for the payment of unpaid bills for material and labor. The city had no authority to pay out that reserved fund to the contractors for 30 days after the acceptance of the work. When it paid out of this fund within 10 days after the acceptance of the work the city breached the contract and violated the statute.

The Minnesota supreme court in township of *Angus vs. Campion et al.* takes up a public official bond case. Campion had been treasurer for many years under annual bonds furnished by

the personal surety. He was reelected in 1926 and gave a corporate surety bond. He was reelected on each of the two following years and by endorsements the surety bond was renewed. Another man was elected in 1929. Campion did not turn over to his successor the amount of money that he should have had in his possession. Defalcation had taken place in one or more of the yearly terms prior to the first one on which the surety company was involved. The only question is whether under the facts stated the court properly dismissed the action at the close of the evidence and ordered judgment in favor of defendants for costs and disbursements. On appeal, the higher court holds that there was no error, citing the *Board of Education v. Robinson*, 81 Minn. 305 where it was held: "Where a person holds a public office for two or more successive terms and executes a new bond with new sureties for each term and a defalcation occurs on the part of the officer, the sureties on the bond given for the term during which the defalcation occurred are alone liable." Judgment for the defendant is affirmed.

H. H. Pharmer was appointed guardian of his two minor children in 1913. He filed a National Surety bond. In 1914 the district court authorized the guardian to "invest the funds in land contracts of Des Moines city property or other safe and profitable securities." The guardian to some extent mingled the funds of his wards with his own and employed them in numerous unauthorized transactions. The final investment of the wards' money was in three real estate contracts, none of which were consummated. On forfeiture title was taken to the property in the name of the guardian. The investments were unfortunate and the property was, at the time of the hearing, worth much less than the amount shown on the accounting in probate to be due the wards. The referee found that the investments were unauthorized and imprudent. The court confirmed the recommendations of the master and gave the wards judgment. The Iowa supreme court holds there was no error. The defendants contend that the wards were guilty of laches in delaying two and four years respectively before disavowing the investments complained of.

The wards were not required to disavow the investments upon becoming of age and are not to be charged with laches, at least under the facts of this case. It may be granted that the guardian acted in good faith. This is no doubt shown by the fact that he became insolvent as the result of many transactions of a similar character entered into on his own behalf. But the wards cannot be prejudiced or required to suffer the loss of their estate because of the imprudent and unauthorized investments of the fund by the guardian, notwithstanding that same may have been made in good faith and in the belief that they were for the best interests of the estate. Judgment for wards affirmed.

## Two Automobile Liability Cases

An interesting automobile case has been decided by the Kentucky court of appeals in *Hall vs. United States Fidelity & Guaranty*, involving an omnibus coverage clause in a liability policy. The company issued to Mrs. Bannon a liability policy and by an omnibus coverage clause extended liability to any person riding in or operating a car owned by the assured provided permission had been given or with the permission of an adult member of her household other than a chauffeur or servant.

### Son Took Machine Out

Her son requested the use of the automobile to go and see a friend on business. The mother requested him to return at a certain time. He went to the home and then those bringing the suit went with him to a roadhouse where they remained until 1 o'clock in the morning. On their return the automobile collided and the appellees were injured. Suits were filed against the U. S. F. & G. to recover judgment they had obtained against the son of Mrs. Bannon.

### Position of the Defense

The defense was that the son was not operating the car with the permission of his mother and therefore the omnibus clause did not apply. The higher court held that the policy insures all adult members of a household by implication. It was not necessary for the son to obtain the consent of his mother. The

court said it would be barest legalistic sophistry to argue that he could grant permission to others to use the car and yet could not use the car himself without the express permission of his mother and be protected. There being no evidence that his mother had expressly forbidden him to use the car except when permitted to do so, the judgment for the plaintiffs was affirmed.

### Driver Under Age Limit

The Texas supreme court decides an issue involving a driver under age in the case of the *Baldwin Motor Company vs. U. S. Fidelity & Guaranty*. The motor company brought suit to recover legal fees and expenses involved in defending itself against damage brought by parents of a child, seven years old. When the suit was brought the motor company notified the U. S. F. & G. to defend the suit. The U. S. F. & G. contended that the policy did not cover the accident as the truck was driven by a boy 15 years of age, under the legal age, and there was no liability. The higher court held that while policies of insurance should be construed most favorably to the insured, they must not be so construed as to make a new contract in disregard of the plain and unambiguous language used. The policy expressly provided that it did not cover employees under 16 years of age. The judgment of the lower court was reversed and the decision was in favor of the U. S. F. & G.

Washington supreme court in *National Bank of Tacoma v. Aetna Casualty & Surety* decides a case where the company was on a bond, condition of which was that a wood pipe company had accepted a written order from the lumber company providing that if the pipe company would not supply material in accordance with the order to indemnify the bank and lumber company against any damages which may be suffered by a lack of material, the surety is liable. The pipe company was adjudged insolvent and a receiver appointed. Later the lumber company wrote the receiver, cancelling the order and the receiver consented. The bank commenced action, alleging that had the pipe company filled its order, it would have collected the amount of invoice but the pipe company failed to fulfill the order and the bank was damaged. The court holds that the bond is

(CONTINUED ON LAST PAGE)

# International Re-Insurance Corporation

(CASUALTY)

## Balance Sheet—December 31, 1930

ASSETS		
Cash in Banks and on Hand.....	\$	837,717.87
Cash Value, Life Insurance Policies.....		1,800.00
Premiums in Course of Collection.....		628,703.79
Accrued Interest Receivable.....		82,018.44
Accounts Receivable .....		129,347.06
Securities at Values Determined by the Committee on Valuation of Securities of the National Convention of Insurance Commissioners:		
U. S. Government Bonds.....	\$	491,200.00
State and Municipal Bonds.....		1,212,940.00
Corporate Stocks and Bonds.....		3,947,505.00
		5,651,645.00
Loans:		
Secured by Collateral.....		529,650.00
Secured by Real Estate.....		1,061,250.00
		1,590,900.00
Equity in Home Office Building:		
Consisting of an undivided one-fourth interest representing:		
Land and Building (less depreciation).....		608,295.00
Less: Proportion of First Mortgage 6% serial bonds and Street Improvement Assessments .....		351,415.00
		256,880.00
		\$9,179,012.16
LIABILITIES		
Reserve for Losses.....	\$	1,878,477.89
Accrued Commissions, Taxes and Other Liabilities.....		299,431.73
Unearned Premiums .....		2,498,876.04
Capital Stock and Surplus:		
Capital Stock:		
Authorized 200,000 shares of \$10.00 each.....	\$	2,000,000.00
Issued 150,000 shares of \$10.00 each.....		1,500,000.00
Surplus .....		3,002,226.50
		4,502,226.50
		\$9,179,012.16

To The Board of Directors  
International Re-Insurance Corporation.

We have made an examination of the books and records of the International Re-Insurance Corporation for the year ended December 31, 1930 and certify that, in our opinion:

The above balance sheet has been correctly prepared therefrom.

Cash, securities, loans and relative collateral, which we have verified by actual count or certificates from the depositaries, are correctly stated on the basis indicated.

The reserve for losses is reasonably stated and provision has been made for all ascertainable liabilities.

The balance sheet fairly reflects the financial position of the Company at December 31, 1930.

Los Angeles, California  
February 26, 1931.

PRICE, WATERHOUSE & CO.

# International Re-Insurance Corporation

CARL M. HANSEN, President

## Home Office

Pacific Finance Building  
Los Angeles, California

84 William Street,  
New York, N. Y.

76 King William Street  
London, England



# The National Underwriter

July 23, 1931

CASUALTY AND SURETY SECTION

Page Twenty-seven

## Motor Accidents Being Analyzed

**Increase in Deaths Is Largely  
Due to Private Passenger  
Cars**

**DR. H. J. STACK'S ADDRESS**

**National Bureau of Casualty & Surety  
Underwriters Expert Makes Some  
Timely Observations**

"Iowa experienced during the last year the worst record in its history in its motor vehicle accidents," according to Dr. H. J. Stack, supervisor of child safety activities of the National Bureau of Casualty & Surety Underwriters in speaking before the Casualty and Surety Club of Des Moines.

National Safety Council records show that Iowa actually had an increase of 41.8 percent in fatalities from motor vehicle accidents which was the greatest increase of any of the large states. From 1926 to 1930, fatalities have more than doubled in Iowa and most of this increase has come during the last two years.

### **Increase Due to Private Cars**

This increase in automobile deaths has been almost entirely due to private passenger cars. Truck, commercial fleets and taxicabs have shown a marked decrease in accidents while accidents involving private passenger cars have been steadily mounting.

"One of the most remarkable evidences of the results of safety activities," according to Dr. Stack, "is that while there has been during the last three years a 25 percent increase in automobile fatalities to adults—there has been a 10 percent decrease in fatalities to children of school age." It is estimated that child safety activities are saving the lives of over 7,000 children each year.

### **Causes of Accidents**

In spite of the wonderful new roads in Iowa, built with a high safety factor, the casualties have been mounting. But according to National Safety Council records in all of the accidents involving fatalities, only a few cases are traceable to defective roadways. A larger percent may be due to some defect in the mechanism of the car—glaring headlights, defective brakes or tires—but in by far the largest percent the motorist himself or the pedestrian was at fault. In cases involving drivers 31 percent drove off the roadway, 29 percent were exceeding the speed limit, 15 percent did not have the right of way and 13 percent were on the wrong side of the road.

Dr. Stack, who is making a trip covering some 60 colleges and universities and 25 luncheon clubs during the summer, feels that education is one of the

(CONTINUED ON LAST PAGE)

## Nineteen States Now Limit Recovery of Auto Guests

**ILLINOIS LAW MOST RECENT**

**Extension of Guest Statutes Slow  
Process Because of Self-Interest  
of Many Legislators**

NEW YORK, July 22.—Nineteen states now have so-called "guest laws" upon their statute books, Illinois being the most recent to enact such a measure. The states that previously approved the legislation are: California, Colorado, Connecticut, Delaware, Idaho, Indiana, Iowa, Kansas, Kentucky, Michigan, Montana, Nebraska, North Dakota, Oregon, South Carolina, Texas, Vermont and Wyoming. While the provisions of the laws differ in some respect, it is generally provided that a guest shall have no right of recovery against an owner or driver of an automobile unless the accident were caused by the driver intentionally or by gross negligence or his reckless disregard of the rights of others.

"The most complete protection of the motorist," to quote from the house organ of the Royal Indemnity, "is provided by the guest law enacted by Delaware in 1929. This law allows no recourse whatsoever to a guest for injuries sustained while riding, free of charge, as a passenger in an automobile. The law-making bodies of the 18 other states have felt that the guest is entitled to recover under certain conditions and that he should not be compelled to waive all his rights when he accepts free transportation. In ten states gross negligence on the part of motorist is recognized as a just cause for recovery, and in eight states recklessness is considered sufficient."

### **Minnesota Law Sought**

Casualty interests are being successful in gradually increasing the number of states with guest laws. The process of getting these laws is slow, for one reason because many assemblies contain influential legislators who are lawyers of the ambulance chasing type. They are able to block guest laws. One of the states in which a guest law will be especially sought is Minnesota.

There is much interest among claim men as to whether, especially in Illinois, the new guest laws are retroactive. Those who contend that the law is retroactive seem to be basing their arguments pretty largely on hope. The consensus is that the guest law is not retroactive. Some believe that this is a question which will have to be decided in the court if some company makes a test.

### **Take Over Metropolitan Mutual**

PHILADELPHIA, July 22.—The Metropolitan Mutual Automobile Casualty of Philadelphia has been taken over by the Pennsylvania insurance department. The Dauphin county court granted a preliminary injunction, which is returnable the end of this month at which time the company is to show cause why the order should not be made final. The insurance department charged abandonment and mismanagement.

## Prepare to Ask N. Y. for Higher Compensation Rate

**BULLETIN ISSUED BY SENIOR**

**Compensation Rating Board Perfecting  
Details of Change—New Tariff  
Projected for Sept. 1**

Approval of higher compensation rates in New York to become effective Sept. 1 is to be asked of the New York department when the actuarial committee of the Compensation Insurance Rating Board perfects details in the proposed change. The request for higher rates in New York is part of the nation-wide program, sponsored by the National Council on Compensation Insurance, to raise the level of rates throughout the country to meet the emergency, which was recognized by the National Convention of Insurance Commissioners.

L. S. Senior, general manager Compensation Insurance Rating Board, has informed the companies by bulletin that his organization has recommended the program of the National Council for higher rates. The recommendation was referred with power to the governing committee for development and presentation to the New York department.

"It is contemplated," according to Mr. Senior's bulletin, "that the rate changes involved shall become effective Sept. 1. Pending the final announcement, you are directed not to issue any workmen's compensation policies in this state designed to become effective Sept. 1, 1931, or thereafter. In exceptional cases the policy may be issued with the provision that the premium rates shall be subject to determination by the Compensation Insurance Rating Board. Policies already issued shall be recalled or endorsed in accordance with the terms of this circular letter. The board will not issue rates for September policies until further notice."

## Financial Responsibility Idea Growing Steadily

NEW YORK, July 22.—Should the Alabama and Georgia legislatures pass the automobile financial responsibility bills now before them, the number of states having such statutes would be increased to 21. The other states are: California, Connecticut, Delaware, Indiana, Iowa, Maine, Maryland, Massachusetts, Minnesota, Nebraska, New Hampshire, New Jersey, New York, North Carolina, North Dakota, Rhode Island, South Dakota, Vermont and Wisconsin.

In addition the four Canadian provinces of Manitoba, New Brunswick, Ontario and Prince Edward Island have financial responsibility measures. While the laws of some American states differ in minor respects, all substantially follow the bill proposed by the American Automobile Association and sponsored by motorists generally. While the measure is not held to be ideal, it is far and away the most satisfactory legislation of its kind so far offered and in the main meets the view of casualty underwriters.

## Michigan Concern Goes to the Wall

**Receiver Has Been Appointed for  
Casualty Association of  
Detroit**

**BAD IMPAIRMENT FOUND**

**This Leaves but Three Reciprocal  
Organized Under the Laws of  
That State**

LANSING, MICH., July 22.—As had been forecast for some time, the second largest reciprocal in the state fell with a resounding crash this week when the Michigan department asked the Ingham county circuit court to provide a receiver for the Casualty Association of America with head office at Detroit.

The examiner's report showed a deficiency of more than \$340,000. The impairment is said to be the largest ever piled up by a reciprocal in Michigan, although several receiverships have been necessary here for carriers of this type, especially since the stock fire companies started providing stiff rate competition in the automobile field slightly more than a year ago. A temporary receivership was granted. J. C. Ketchum, examiner of the Michigan department, has taken charge of the office. Under the order the reciprocal has 15 days to answer.

### **California Much Interested**

California will be most vitally affected, it is believed, as some four-fifths of all of the auto business done by the carrier was confined to that state. The Federal Motor Club, dummy organization of the Casualty Association, was most active there and turned over a large volume of business under its underwriting contract. California has still another interest in the case, as L. A. Goodman, who organized the exchange and has been the manager of the attorney-in-fact corporation, is now reported to be in that state. Miss Janet Hutchinson, treasurer, was in charge of the office during the examination.

The report shows assets of \$212,000. Liabilities exceed \$554,000, with claims making up \$340,000 of the total. The auto claims totaled in excess of \$293,000, the remainder being workmen's compensation.

### **Had Apartment House Bonds**

The reciprocal was admitted in three other states, Illinois, Texas and Utah, but little business was done there and it is said that Texas had not renewed the exchange's license. The last report, covering 1930 business, showed securities holdings including many apartment house bonds. The company also owned 125 shares of stock in the defunct People's State Trust & Savings Bank of Pontiac, thereby incurring considerable liability as all stockholders are liable

(CONTINUED ON LAST PAGE)

## May Ask Attorney-General of Ohio to Reconsider Rule

### LICENSE MATTER UNSETTLED

#### Matter of Priority in Approval of Exemption Act by Governor Raises Interesting Question

There is talk among Ohio insurance men that Attorney-General Gilbert Bettman may be asked to reconsider the decision given out from the attorney-general's office that Ohio domestic casualty companies are not subject to the general agency qualification law of the state. Mr. Bettman has not yet indicated his attitude toward reopening the case.

The decision from the attorney-general's office is based upon legislation passed in 1925. On March 26, 1925, was passed section 644-5, the general agency license and qualification law of the state. The next day, the legislature passed section 654-1, which specifically exempts domestic casualty companies from the operation of general insurance statutes on the licensing of agents.

#### Priority of Approval

But the governor approved the act exempting the domestic casualty companies one day before he approved the general license and qualification act. Further, the governor filed the exemption act with the secretary of state four days before he filed the general license law with the secretary of state. Measured by the time the laws actually became operative, 90 days after filing with the secretary of state, that section of the law exempting domestic casualty companies from the general licensing provision became law four days before the general qualification and license law of the state became operative.

Thus, if dates of going into effect become a determining guide, the general qualifying and licensing law would supersede the exemption statute. Attorney-General Bettman based his decision upon what he believed to be the intent of the legislature.

#### Attorneys Raise Question

Some attorneys believe it is a debatable question under the present Ohio constitution whether the date of going into effect may not be the governing factor in determining which of two conflicting statutes is operative.

The question whether agents of domestic casualty companies are subject to the general agency qualification law of Ohio is not now raised for the first time. It has been considered by previous Ohio superintendents of insurance. But they have operated their offices as though all agents were subject to the general licensing law. And this has been approved by the overwhelming majority of companies and agents in the state. This is the first time that the issue has been pressed so far.

#### "Hot Potato" Demonstration

The insurance storm center in the automobile club case has now been moved from the insurance commissioner's office to the attorney-general's office.

Because the attorney-general is of different political faith than the governor and the superintendent of insurance, political angles have inevitably crept into discussions of the case. The usual comment is that the governor and the superintendent of insurance have demonstrated in a most entertaining way the feat of passing the hot potato to the other fellow.

The Motorists Mutual will immediately certify to the insurance department the Cincinnati Automobile Club Insurance Exchange to represent it in Cincinnati. This action follows on the heels of an opinion by Attorney General Gilbert Bettman of Cincinnati that any person duly certified to the Ohio

(CONTINUED ON PAGE 39)

## Assureds Turn to Motor P. L. Return Premium for Cash

Requests for cancellation of automobile public liability policies from assureds who are prompted by much the same desire as they are in surrendering or borrowing against life insurance policies, is noted in some offices. Those, seeking to exhaust every resource, apparently have discovered that they can get a return premium of a few dollars by surrendering their liability policies. Those, in desperate circumstances, are willing to take the penalty of short rate cancellation, sometimes even where the unexpired term is only two or three months.

The executive of one office was interested in a young man, who requested cancellation of his policy to get the four or five dollar equity. This executive explained to the assured the disadvantages of cancelling and suggested that, by using the car less frequently, he could soon save in gasoline as much as the return premium and, at the same time, retain his protection. To this, the young man replied that, being almost destitute, he never used the car unless some friend bought the gasoline.

#### Confusion in Public Mind

The idea of cashing in on a property insurance or liability insurance policy probably has developed because of the failure of many persons to distinguish between life insurance, which has investment features, and property and liability insurance, which is pure protection. The excessive demands upon life insurance companies for loans and surrender values is causing havoc in that business, many companies being unable to show an increase in insurance in force although writing much new business.

Recently THE NATIONAL UNDERWRITER printed a story about a woman who sought to borrow against a fire insurance policy. Undoubtedly she considered life insurance and fire insurance of a kind. Likewise, this business of cancelling auto liability policies to get the proceeds arises from the same confusion in the public mind. Property insurance people can help to dispel this notion by explaining patiently the difference between the two forms of insurance to those who apply for cancellation.

#### Claim Policy Acts as Waiver

In appealing from a dismissal of her damage suit against the Paxton Memorial Hospital of Omaha for damages caused by the carelessness of a nurse while she was a patient, Mrs. Catherine Sibia raises a novel point in liability insurance. Courts have uniformly held in the past that where a hospital is not conducted for profit it is exempt from liability for negligence of agents and servants because it has no fund out of which to make payment. In this case it developed that the hospital carries liability insurance. It is argued that this makes available for it a fund out of which such damages may be paid and hence the rule of law cannot be suspended for its benefit; in other words that the policy serves as a waiver of immunity.

#### New Company Disapproved

Attorney General Sorensen of Nebraska has disapproved articles of incorporation of the National Guarantee Fund Corporation of Lincoln, on the ground that the law requires stock shall be of \$100 par value while the company's is but \$10, and because the articles did not provide for election of directors by shareholders within a month after stock was fully subscribed. The incorporators are R. P. Higgins, O. M. Campbell, G. N. Klingerman, G. A. Herlernd and Gilbert Cramer. Capital stock is placed at \$25,000.

## Surety Companies Irked by Special Deposit Demands

### BURDEN ON SMALLER OFFICES

#### Regulations of Philadelphia Orphans Court and Allegheny County Courts Are Cited

NEW YORK, July 22.—Surety writing companies of moderate size find themselves greatly hampered in their efforts to broaden their field of activity through the special deposit requirements of many states, and the further rule of a number of courts compelling the giving of a bond before the indemnity will be acceptable.

Notably irksome is the long standing regulation of the Philadelphia orphan's court that any company desiring to write bonds in cases before that tribunal must make a deposit of \$100,000, and further submit to an annual examination by a representative of the court. Various courts of Allegheny county also call for special deposits and they too have the privilege of making periodic examinations of the licensed surety offices.

#### Disclose Nothing New

These examinations by court representatives disclose nothing with respect to a company's affairs that could not be promptly ascertained from statements on file with the insurance department, or if special information were sought it would easily be had by correspondence; saving thereby to the underwriting corporations and the cost and annoyance of special investigations.

While some of the states in their special deposit requirements are satisfied with a guaranty bond, others demand that securities be put up. If that regulation were insisted upon by all states, it would take virtually the entire surplus of some of the moderate sized institutions, and would work a hardship even on the larger companies. For years the New York department exerted its influence to secure the abolishment of the special deposit regulation, but without avail. States having such laws refused to repeal or even modify them.

#### Increase North Dakota Rates

FARGO, N. D., July 22.—Because 1930 claim payments exceeded premiums on automobile liability, rates have been increased approximately one-third in Fargo-Moorhead. Rates on 5/10,000 in North Dakota on light cars such as Fords and Chevrolets will raise from \$11 to \$15; medium cars \$15 to \$20 and heavy cars, \$21 to \$30.

#### Dr. H. H. Snively Dies

Dr. H. H. Snively, vice-president Capital Mutual Casualty, died at his home in Columbus, O., Monday after an operation for an abdominal complaint. He was state director of health during the administration of Governor H. L. Davis. In 1915 Dr. Snively went to Russia with the Red Cross and was made a brigadier general in the Russian army.

#### Oppose Merger of Liberty Bond

TRENTON, N. J., July 22.—E. L. Johnson and E. J. Holland of Atlantic City, who are directors of the Liberty Surety Bond of Trenton, and J. H. Lippincott, Max Grossman and G. A. Bolte, stockholders, have formed a stockholders committee for the purpose of opposing the proposed merger with the Commonwealth Casualty of Philadelphia as outlined in a letter which has been sent to stockholders by President J. W. West. It is contended that there is no need of a merger with any company, and stockholders have been requested to send their proxies to the committee at the Bankers Trust Company at Atlantic City.

## Fidelity Bond Case Has Important Angle Presented

The South Carolina supreme court passes on a fidelity bond case in *Chicora Bank vs. United States Fidelity & Guaranty*. T. J. Crane was cashier bonded for \$10,000. The bond was issued July 16, 1923, and the loss occurred Feb. 1, 1924, but was not discovered until Nov. 20, 1929. Claim was then made. The company denied liability. The issue hinges on this provision of the bond which is, "subject to the conditions and provisions herein contained, which shall be conditions precedent to the right of the employer to recover under the bond . . . which said loss shall be discovered during such term or within six months thereafter."

The trial court rendered judgment in favor of the bank. The court interpreted the clause as designating simply a duty to be performed by the bank rather than a condition on the performance of which liability on the surety attached, and that the company was not entitled to immunity unless it showed that it had suffered loss or injury by reason of the bank's failure to perform that duty. The company appealed, taking the position that unless the fraud was discovered during the term or within six months thereafter, which concededly was not done, there was no liability. The supreme court holds that it cannot be contended that such a limitation is obnoxious to the law of contracts. The limitation on a fidelity bond to losses sustained and discovered within a stipulated period has been recognized and enforced in scores of instances. The court says surety's motion for a directed verdict should have been upheld.

## Smith Promoted to Agency Position by Pacific Mutual

Jens Smith, veteran manager of the Pacific Mutual Life at Chicago, has been appointed assistant superintendent of agents, effective Aug. 1. He plans to leave the field Sunday in which he has been an insurance man 26 years, and will enter the agency department at the home office.

Mr. Smith was assistant cashier of the Home Life of New York in Chicago five years, then went with the Pacific Mutual in Chicago in the cashier's department. He became traveling auditor, and March 1, 1916, was appointed manager of the Chicago branch. The office has had a large growth and successful experience in life, accident and health under him.

His appointment is in line with the old policy of President G. I. Cochran which largely was responsible for organizing some branches to train men for higher executive duties.

Mr. Smith has been a wheel-horse in cooperative work in Chicago, a trustee of the Chicago Association of Life Underwriters many years, treasurer one year, and is vice-president of the Pacific Mutual agency association. He is resigning all these connections.

Frank D. Cummings, assistant superintendent of agents with headquarters at Chicago for considerable time, is taking charge of the office pending definite arrangements.

E. E. Henderson, eastern agency supervisor for a year and a half, who has had his office in Chicago, is transferred to Philadelphia, where he expects to open an office separate from the two agencies now there, continuing as eastern supervisor.

#### Chicago Lloyds Is Reinsurer

There has been much interest as to what company is offering reinsurance facilities to the Allstate, automobile carrier of Chicago, recently organized by Sears-Roebuck & Co. The reinsurer, it is reliably reported, is Chicago Lloyds. Most of the reinsurance, of course, is for excess public liability.



### Missouri Receiver Sues Reciprocal Policyholders

INDIANAPOLIS, July 22.—R. H. Abeken, Missouri receiver for the defunct Federal Automobile of Indianapolis, has filed suit in the circuit court at St. Louis against 11,000 policyholders of the concern, asking that they be required to pay one additional assessment for a liquidation fund of approximately \$300,000. Following the establishment of a receivership for the Federal in 1928, Judge B. K. Elliott of the superior court at Indianapolis authorized assessments aggregating \$3,000,000 against all persons who had policies in the reciprocal during the years 1924, 1925, 1926 and 1927. After almost two years of litigation, Judge W. S. McMaster, successor to Judge Elliott, reversed the ruling, holding that policyholders would not have to pay the assessments. Approximately 80,000 of the 120,000 former policyholders are residents in Indiana. The reciprocal operated in 11 states.

#### Involves 11,000 Policyholders

The Missouri suit involves 11,000 Missouri policyholders and asks the court to direct that the policyholders be compelled to pay one additional assessment under the terms of their policy contracts for the purpose of creating a fund sufficient to liquidate claims and other obligations, including the expense of the Missouri receivership.

C. A. Geers, attorney for Receiver Abeken estimated that the total amount involved in the new suit is approximately \$300,000. About 2,300 of the defendants live in St. Louis and were attracted to purchase the Federal policies in the belief that they were getting good insurance at a cut rate.

Mr. Abeken was appointed Missouri receiver in 1928. He received authority from the late Judge M. N. Sale to enter suit against the Missouri policyholders and since that time more than 300 individual suits have been filed in various jurisdictions of the peace courts against policyholders of the Federal Automobile and in all cases tried on their merits judgment was returned against the policyholders. It has now been determined to simplify the procedure by bringing a joint suit against all of the policyholders against whom individual suits were not heretofore filed.

### Family Liability Policy Is Being Prepared by Bureau

Rates and rules for writing what will likely be termed "a family liability policy" are being prepared by the governing committee of the National Bureau of Casualty & Surety Underwriters. The contract will assume private residence liability, similar to that provided for in O. L. T. cover and may be endorsed for additional premium to include liability for the acts of minor members of the family or for dog liability away from the premises; sports liability, for husband and wife and personal liability for each named assured away from the home premises.

The policy will also include, if wanted, burglary insurance, voluntary compensation for household servants who may not be included in a standard workmen's compensation policy in the assured's home state, personal hold-up, glass damage, and sundry other forms of coverage.

### Phoenix Opens Indianapolis Office

INDIANAPOLIS, July 22.—A branch office for the Phoenix Indemnity will be opened here August 1, with O. L. Mummert as manager and K. E. Simpson as assistant manager. The office will be maintained in the quarters of the London Guarantee at 508-9 Chamber of Commerce building, of which company Mr. Mummert and Mr. Simpson continue as manager and assistant respectively.

### Federal Surety Now Gets Set for Active Service

#### RAY YENTER HARD AT WORK

Company Is Getting Agents of Institutions Whose Affairs It Has Taken Over

DAVENPORT, IA., July 22.—Reorganized as a direct writing company, the Federal Surety of Davenport is developing a producing agency plant, principally among the agents who were formerly with the Old Trails of Indianapolis, the Liberty of Dayton and the Automobile Underwriters of Dallas. The chief officers of these three companies are now with the Federal Surety and are swinging their old agency forces into line.

B. W. Balay, formerly the active head of the Old Trails of Indianapolis, is now vice-president of the Federal Surety and is dividing his time between Indianapolis and Davenport. He has retained the old agency force of the Old Trails in Indianapolis intact. The Indiana agents of the Federal Surety operate as the "Old Trails division" of the Federal Surety. They are writing business at the rate of about \$600,000 annually.

#### Jones in Charge at Dayton

At Dayton, O., J. R. Jones, formerly in charge of the Liberty, is getting the old agency force of that company lined up for the Federal Surety. All of the Ohio agents will report through his office, although the Liberty agents in the western states closer to Davenport will report to the home office.

G. W. Baillo, who was the active agency man of the Automobile Underwriters of Dallas, is appointing his old agents for the Federal Surety. The southwestern agents of the Federal Surety will report their business through his office.

#### Yenter Is Hard at Work

The Federal Surety took over these three companies and although for a brief period after its sale it operated as a reinsurance company only and withdrew from the direct writing field, it is rapidly re-establishing itself as an agent's organization. Former Commissioner Ray Yenter of Iowa is president and is working day and night to shape up its affairs. It is withdrawing from both the Atlantic and Pacific Coast states and will in the future concentrate its efforts upon the Mississippi and Ohio valley states.

### J. S. Kemper Group Acquires Federal Mutual Auto, Wis.

The James S. Kemper organization of Chicago has acquired the business of the Federal Mutual Auto of Milwaukee, the liability being assumed by the American Motorists and National Retailers Mutual, members of the Kemper group.

The Federal Mutual Auto was organized in 1921. Total assets as of Dec. 31 were \$102,387; premium reserve \$48,930, and surplus \$25,774. Its earned premiums in 1930 were \$98,938; losses incurred \$55,513; expenses \$49,787.

The president is Thomas Loignon; vice-president, L. Lauburg; secretary, W. N. Wright. It has operated only in Wisconsin.

### Youngstown Claim Conscious

Claim supervisors report that Youngstown, O., is developing into one of the worst towns in the country as to claims. This condition is attributed to several attorneys, who are introducing New York and eastern claim methods to that city. Youngstown is becoming claim conscious, especially from the automobile public liability point of view, according to reports.

### W. B. Mann Resigns



WILLIAM BRUCE MANN

DETROIT, July 22.—Executive Vice-president William Bruce Mann of the Central West Casualty has resigned to become effective at the end of September. Mr. Mann is an easterner by birth and education and he desires to return to his old haunts. He started in the insurance business with the Mutual Life of New York in 1891. He then connected with the Travelers and later the Pacific Mutual. For many years he was with the Ocean Accident in charge of its accident department. He became assistant United States manager, resigning to go with the Central West Casualty.

### G. M. Weichelt, Dent, Surety Attorneys, Start New Firm

L. L. Dent, formerly of Dent, Dobyns & Freeman, now dissolved; G. M. Weichelt, general attorney for the National Surety in Chicago for ten years; J. P. Hampton, formerly assistant state's attorney of Cook county; R. D. Doten and S. H. Bowers, formerly of Dent, Dobyns & Freeman, have formed a partnership under the title Dent, Weichelt & Hampton, with offices in the Rookery building, Chicago.

Mr. Dent is a recognized leader in handling legal matters for corporate sureties and has been attorney for ten surety companies. Before the war Mr. Weichelt was associated with the late W. E. Dever, former Chicago mayor. Since the war Mr. Weichelt has been general attorney for the central department of the National Surety in Chicago. He is a member of the faculty of Northwestern university and for several years has been instructor in the law of insurance there.

Mr. Hampton was formerly manager of the claim and legal department of the Integrity Mutual for Oklahoma. Later he went to Chicago and for nearly four years was connected with the legal and claim department of the National Surety. Subsequently he became an assistant state's attorney. Mr. Doten and Mr. Bowers are recent law school graduates who have been associated with Dent, Dobyns & Freeman.

### Syracuse Reduces Premiums

SYRACUSE, N. Y., July 22.—Mayor R. B. Marvin has announced an actual reduction of \$4,000 a year in premiums on the blanket liability insurance covering municipally-owned motor vehicles. The premiums paid by the city for the last fiscal year amounted to \$46,200, while the aggregate for the current year is \$42,000.

### Injured Workers Tend to Prolong Disability Period

#### MANY REOPEN CLOSED CASES

Compensation Carriers Foil Problems Growing Out of Depression—Lawyers Enter Accident Field

NEW YORK, July 22.—Whether managers of compensation writing companies appreciate it or not, the fact remains, as one executive pointed out, they are actually furnishing unemployment insurance at the present time. Injured employees are entitled under the law to two-thirds of their regular weekly salary. Normally this would prove a hardship and would supply every incentive for speedy recovery. Under present industrial conditions, however, with the average employee getting but two or three days' work a week, the disposition is to continue to draw injury compensation as long as possible and the average period of disability, the carriers find, is materially greater than it ever has been before.

Another development due to existing conditions, underwriters state, is the considerable number of "closed cases" that have been reopened. Many parties supposedly finally compensated for injuries suffered in months gone by, have been declaring that wounds thought to have been completely healed, are again giving trouble, and are submitting doctor's certificates in support of the contention.

Yet another thorn in the flesh of the compensation carriers now is the great increase in the number and character of lawyers specializing in accident damage cases. Members of the bar that formerly would have spurned the very suggestion that they handle cases of questionable merit against insurers, are now soliciting litigation of this character to eke out incomes that have fallen off sadly because of the general business depression. Even with the granting of the emergency rate increase asked for by the insurance companies, it is questionable if the income upon compensation business will prove sufficient to enable carriers to break even.

### Postpone Responsibility Bill

BIRMINGHAM, ALA., July 22.—The automobile safety responsibility bill widely supported by civic interests including the Alabama Association of Insurance Agents has been indefinitely postponed by the Alabama legislature.

### No Accident in Million Miles, Short Walk Fatal

Apparently immune from accident on a million miles of travel, A. A. Tucker, 60, vice-president of the Rosenthal-Sloan Millinery Company of St. Louis, lost his life in a one-mile walk.

In the past 30 years Mr. Tucker had traveled more than 1,000,000 miles by train and ocean liners without an accident, making 49 round trips to Europe. He had narrowly missed death once in a train wreck in Germany and again when he cancelled a reservation on the Luisitania on its fatal trip. He also had a reservation for the return voyage of the Titanic and was waiting for that boat in New York when word came of its crash against an iceberg.

Last week Mr. Tucker decided to take a short walk from his home, and was walking along the railroad tracks when struck by a fast train.

## Some Employers Encourage Imposition on the Companies

### CASES OF MALINGERING SEEN

#### Burden of Compensation Is Being Shifted to the Shoulders of Insurance Carriers

NEW YORK, July 22.—Not only are injured industrial employees prolonging as far as possible the period of their disability in order to collect the compensation granted them under state laws, which under existing labor conditions is in many cases substantially more than they would receive if employed on a part-time basis, but company officials find some supposedly highly reputable employers actually encouraging the practice. Virtually all large labor employers have been sharply reducing their working staffs, retaining on a basis of three or four days a week, the more valuable of the employees so as to hold them against the time when business gets back to a normal basis.

In the event of the accidental injury of men of the desirable type they are warned not to attempt too early return to work; advice that is gratefully followed. The employers figure that if they can unload the compensation of a percentage of their employers on the insurance carriers, they are gainers to just that extent. The response by employers to the statement that additional claim making will inevitably mean an increase in insurance rates another year, is that "if business picks up, we can afford to and would be willing to pay more for our protection, while if the existing depression continues we will simply let other workers out, so that while our insurance rate may be increased, we will not be required to pay an additional premium because of reduced payrolls."

## Replies Coming From Companies to New York

NEW YORK, July 22.—Two-thirds or more of the casualty companies licensed in this state have already furnished the information asked for by Superintendent Van Schaick two weeks ago, as to the names, locations and rates of commissions paid their different grades of agents in New York and elsewhere. It is assumed the balance of the companies will send in the required data within a brief time, such delays as have occurred being due to the vacation season and the absences from their offices of those particularly versed in field supervision. As rapidly as the blanks are received they are being analyzed by the department staff, the final result to be laid before the superintendent. The casualty acquisition cost conference is scheduled to meet the latter part of the present week.

### Fewer Banks Advocated by A. B. A.—Surety Men Agree

Among changes advocated by the American Bankers Association for the betterment of the banking situation is the consolidation or liquidation of financial institutions in communities where changed local economic conditions make this desirable. Surety underwriters have long maintained that there was a superabundance of banks, notably throughout the agricultural regions of the west and the south, and that no proper reason exists for continuing many of them; notably those that were launched in the prosperous post war period, and officered by men having little or no practical banking experience.

## Number of Claims in Each Accident Is Increasing

### PHASE OF CLAIM-MINDEDNESS

#### One Large Company Increases Its P. L. Loss Reserves Because of This Tendency

A development, which is causing at least one large casualty company to increase its loss reserves, is the increasing number of claims arising out of a single accident. Executives of this company believe the development to be ominous. Heretofore, claims have been presented, in general, for real injuries, which are legitimately compensable, but now, with droves of ambulance-chasing lawyers sniffing at every possible scent of a claim, a single accident is likely to produce as many claims as there are occupants of a damaged car.

Increasing number of claims per accident, which is a phase of the increasing claim consciousness of the public, together with the disposition of juries to return a higher verdict where there is an intimation of ultimate insurance company responsibility creates a gloomy outlook for automobile liability.

#### Loss Reserve Policy

The company, which has decided to put up larger loss reserves in view of the growing number of claims per accident, started last year to boost its loss reserve. The company believes its course was fully justified. Many other companies, pressed by the decline in security values, either reduced their loss reserves or did not increase them. The plight of those companies which reduced their loss reserves last year is serious. There has been a further decline in the securities market and the claim severity and frequency is on the

## New Deal Is Seen in the Nebraska Department

LINCOLN, NEB., July 22.—The appointment of E. H. Luikhart as secretary of trade and commerce by Governor Bryan means that Insurance Commissioner Herdman will still be in practical control of the insurance department. The department of trade and commerce exercises control over the insurance bureau. Under the law its secretary is head of the insurance bureau although the insurance commissioner handles the details. The law provides that the secretary of the trade and commerce department be named a receiver of failed banks. Governor Bryan, however, has opposed this system but he has had a change of heart and now wants to get control of the failed banks. The district courts are following his request and Mr. Luikhart is being substituted as a receiver. The former receivers had been buying their surety bonds from the Nebraska Bankers Association which has been using the commission from bonds as part of a fund to pay rewards for bank bandits that were slain. Mr. Luikhart is dividing the business among the Great American Indemnity, Massachusetts Bonding, United States Fidelity & Guaranty and the Indemnity Insurance Company of North America.

upswing. Now, it is even more painful than last year to increase loss reserves. Those companies which increased their reserves last year, feel that they are better off today for having "taken it on the chin" while the picture was dark but not as dark as today.

With the accession of the **Employers Mutual** of New York City, the company membership of the New York Plate Glass Service Bureau has been increased to 53.



Home Office Buildings

To Agents  
and Brokers

**D**URING the period of business recovery we believe it will help you to "tie in" with our extensive organization.

We know how to help you build for the future.

**MARYLAND CASUALTY COMPANY**

BALTIMORE

CASUALTY INSURANCE

BONDING LINES



# IMMEASURABLE SAFETY MEASURE

What measure  
can I adopt which  
will be the greatest  
safeguard to my  
business?

+ + +

You probably know.

+ + +

Intrust the protection  
of your clients to  
only those old-line  
stock companies with  
experience of  
great spread;  
with reputations  
for paying claims—  
anywhere—in a quick  
and friendly manner.

+ + +

Represent only those companies  
whose financial structures

can stand the white heat  
of searching scrutinies.

+ + +

There are  
fewer such companies  
left today.

And Standard is one  
of them.

+ + +

Add prize-winning,  
resultful advertising  
which is Standard's, and  
you have IMMEASURABLE safety  
together with modern and  
effective  
production methods.

+ + +

These ought to tide  
you over the  
depression, and guide  
you quickly to a  
profitable expansion  
of business for the years to come.

The Friendly American Company Since 1884 . . . writing  
all forms of Casualty Insurance and Fidelity and Surety Bonds



STANDARD ACCIDENT INSURANCE COMPANY

DETROIT, MICHIGAN

## Some Employers Encourage Imposition on the Companies

### CASES OF MALINGERING SEEN

#### Burden of Compensation Is Being Shifted to the Shoulders of Insurance Carriers

NEW YORK, July 22.—Not only are injured industrial employees prolonging as far as possible the period of their disability in order to collect the compensation granted them under state laws, which under existing labor conditions is in many cases substantially more than they would receive if employed on a part-time basis, but company officials find some supposedly highly reputable employers actually encouraging the practice. Virtually all large labor employers have been sharply reducing their working staffs, retaining on a basis of three or four days a week, the more valuable of the employees so as to hold them against the time when business gets back to a normal basis.

In the event of the accidental injury of men of the desirable type they are warned not to attempt too early return to work; advice that is gratefully followed. The employers figure that if they can unload the compensation of a percentage of their employees on the insurance carriers, they are gainers to just that extent. The response by employers to the statement that additional claim making will inevitably mean an increase in insurance rates another year, is that "if business picks up, we can afford to and would be willing to pay more for our protection, while if the existing depression continues we will simply let other workers out, so that while our insurance rate may be increased, we will not be required to pay an additional premium because of reduced payrolls."

## Replies Coming From Companies to New York

NEW YORK, July 22.—Two-thirds or more of the casualty companies licensed in this state have already furnished the information asked for by Superintendent Van Schaick two weeks ago, as to the names, locations and rates of commissions paid their different grades of agents in New York and elsewhere. It is assumed the balance of the companies will send in the required data within a brief time, such delays as have occurred being due to the vacation season and the absences from their offices of those particularly versed in field supervision. As rapidly as the blanks are received they are being analyzed by the department staff, the final result to be laid before the superintendent. The casualty acquisition cost conference is scheduled to meet the latter part of the present week.

## Fewer Banks Advocated by A. B. A.—Surety Men Agree

Among changes advocated by the American Bankers Association for the betterment of the banking situation is the consolidation or liquidation of financial institutions in communities where changed local economic conditions make this desirable. Surety underwriters have long maintained that there was a superabundance of banks, notably throughout the agricultural regions of the west and the south, and that no proper reason exists for continuing many of them; notably those that were launched in the prosperous post war period, and offered by men having little or no practical banking experience.

## Number of Claims in Each Accident Is Increasing

### PHASE OF CLAIM-MINDEDNESS

#### One Large Company Increases Its P. L. Loss Reserves Because of This Tendency

A development, which is causing at least one large casualty company to increase its loss reserves, is the increasing number of claims arising out of a single accident. Executives of this company believe the development to be ominous. Heretofore, claims have been presented, in general, for real injuries, which are legitimately compensable, but now, with droves of ambulance-chasing lawyers sniffing at every possible scent of a claim, a single accident is likely to produce as many claims as there are occupants of a damaged car.

Increasing number of claims per accident, which is a phase of the increasing claim consciousness of the public, together with the disposition of juries to return a higher verdict where there is an intimation of ultimate insurance company responsibility creates a gloomy outlook for automobile liability.

#### Loss Reserve Policy

The company, which has decided to put up larger loss reserves in view of the growing number of claims per accident, started last year to boost its loss reserve. The company believes its course was fully justified. Many other companies, pressed by the decline in security values, either reduced their loss reserves or did not increase them. The plight of those companies which reduced their loss reserves last year is serious. There has been a further decline in the securities market and the claim severity and frequency is on the

## New Deal Is Seen in the Nebraska Department

LINCOLN, NEB., July 22.—The appointment of E. H. Luikhart as secretary of trade and commerce by Governor Bryan means that Insurance Commissioner Herdman will still be in practical control of the insurance department. The department of trade and commerce exercises control over the insurance bureau. Under the law its secretary is head of the insurance bureau although the insurance commissioner handles the details. The law provides that the secretary of the trade and commerce department be named a receiver of failed banks. Governor Bryan, however, has opposed this system but he has had a change of heart and now wants to get control of the failed banks. The district courts are following his request and Mr. Luikhart is being substituted as a receiver. The former receivers had been buying their surety bonds from the Nebraska Bankers Association which has been using the commission from bonds as part of a fund to pay rewards for bank bandits that were slain. Mr. Luikhart is dividing the business among the Great American Indemnity, Massachusetts Bonding, United States Fidelity & Guaranty and the Indemnity Insurance Company of North America.

upswing. Now, it is even more painful than last year to increase loss reserves. Those companies which increased their reserves last year, feel that they are better off today for having "taken it on the chin" while the picture was dark but not as dark as today.

With the accession of the **Employers Mutual** of New York City, the company membership of the New York Plate Glass Service Bureau has been increased to 53.



Home Office Buildings

To Agents  
and Brokers

**D**URING the period of business recovery we believe it will help you to "tie in" with our extensive organization.

We know how to help you build for the future.

**MARYLAND CASUALTY COMPANY**

BALTIMORE

CASUALTY INSURANCE

BONDING LINES



# IMMEASURABLE SAFETY MEASURE

What measure  
can I adopt which  
will be the greatest  
safeguard to my  
business?

+ + +

You probably know.

+ + +

Intrust the protection  
of your clients to  
only those old-line  
stock companies with  
experience of  
great spread;  
with reputations  
for paying claims—  
anywhere—in a quick  
and friendly manner.

+ + +

Represent only those companies  
whose financial structures

can stand the white heat  
of searching scrutinies.

+ + +

There are  
fewer such companies  
left today.

And Standard is one  
of them.

+ + +

Add prize-winning,  
resultful advertising  
which is Standard's, and  
you have IMMEASURABLE safety  
together with modern and  
effective  
production methods.

+ + +

These ought to tide  
you over the  
depression, and guide  
you quickly to a  
profitable expansion  
of business for the years to come.

The Friendly American Company Since 1884 . . . writing  
all forms of Casualty Insurance and Fidelity and Surety Bonds



STANDARD ACCIDENT INSURANCE COMPANY

DETROIT, MICHIGAN



SERVICE UNEQUALED

## ALL OVER THE WORLD



An organization of specialists in the handling of all claims, including—

**AUTOMOBILE — AVIATION — USE & OCCUPANCY—FIRE—TORNADO—RENTAL — SPRINKLER LEAKAGE—FURS—JEWELRY—ALL RISK BURGLARY — LIVE STOCK — BLANKET BONDS — RADIUM—FINE ARTS.**

**CHICAGO — NEW YORK — PHILADELPHIA  
LOS ANGELES—SAN FRANCISCO  
MONTREAL—LONDON—MANCHESTER  
STRASBOURG—ANTWERP—GENOA  
ALEXANDRIA—CAIRO—SHANGHAI  
PARIS—MARSEILLES—NICE**

*Represented in every principal city in the world.*



## WORKMEN'S COMPENSATION

### Rejected Risk Plan Adopted Carriers Indorse Increase

**Wisconsin Bureau Approves Use of Minnesota Procedure—Sharp Division of Opinion Shown**

MILWAUKEE, July 22.—At the special meeting of the Wisconsin Compensation Rating & Inspection Bureau held here with 37 members in attendance, to form regulations to conform with the new Wisconsin law for extension of insurance to so-called "rejected risks," this resolution, offered by Julius Eggerman, Massachusetts Bonding, was adopted:

"Resolved, That we abide by the plan now in operation in the state of Minnesota, namely, a voluntary plan, involving assignment of undesirable risks by the manager of the bureau, with proper regard to premium income of member companies; proper regard to geographical location, making it possible to properly service assigned risks, and with the understanding that cancellation can be effected only for non-payment of premium and/or failure to meet safety requirements, otherwise companies being obliged to carry risks to their natural termination."

The motion was carried without a dissenting vote, although a number of the members present refrained from voting.

#### Sharp Division Develops

A sharp division of opinion developed between representatives of the "conference" stock companies and the non-stock companies. The stock company men favored the so-called Minnesota plan, which is identical with the voluntary plan now in effect in Wisconsin, with the exception that all companies are compelled to subscribe to the scheme and in addition the general manager is empowered to collect the first premium. The non-stock companies' argument was all in favor of a scheme which would embody the letter of the law, wherein provision would be made for reinsurance among all companies. A resolution submitted by R. L. Lehman, Liberty Mutual, providing for a form of reinsurance agreement, did not result in any direct action.

F. M. Wilcox, chairman state industrial commission, who attended the meeting with Commissioner Mortensen and E. W. Kitzrow, secretary of the Wisconsin Compensation Insurance Board, was asked by the chairman to present his views. Mr. Wilcox declared that the companies should be primarily concerned in seeing that the law be fully complied with and thereby, at least in part, offset propaganda in favor of a monopolistic state fund. He added that although his idea of the best method of handling the situation would be through the medium of a pool, administered by the Wisconsin Compensation Rating & Inspection Bureau, he would not object personally to any plan which would definitely assure the cooperation of the companies with the industrial commission, to the end that non-insured risks be covered without unnecessary delay or quibbling.

#### Michigan State Fund Figures

The state accident fund of Michigan, which is its workmen's compensation insurance fund, is operated under the jurisdiction of the state administrative board. The last financial statement of the accident fund was given out by the Michigan insurance department following its examination July 1 last year, its assets then being \$964,092, liabilities \$626,737 and catastrophe hazard reserve \$337,355.

The Public Indemnity has been licensed in Colorado. W. C. Skinner of the Colorado Insurance Agency Company has been named general agent.

**Increased Benefits in New Wisconsin Law Cause 8.5 Percent Boost on Existing Policies**

MADISON, WIS., July 22.—Unusual action is being taken in Wisconsin by stock companies following passage of the workmen's compensation law containing drastic changes in benefits and approval of an 8.5 percent premium increase by the Wisconsin Compensation Insurance Board. The companies are endorsing all existing policies to show the 8½ percent increase. Although a new law was just recently passed in Illinois with some increased benefits, the companies are not taking similar action there.

The Wisconsin increase is made effective May 1, 1931. The new law is expected to increase compensation to injured employees or heirs of dead workers approximately \$700,000 annually.

Chief changes were increase of indemnity for permanent injury from 65 to 70 percent, reduction of waiting period from seven to three days and addition of a recapture period from 11 to 22 days; alteration of major injury schedule to pay all alike up to 50 years of age and establishment of earnings at age 27 as basis of compensation for permanent injuries to persons under that age.

Revision of Wisconsin rates must be made by Nov. 1. What the new schedule will be cannot be known until the state has added its 1929 experience to that of four previous years and has secured national data relating to Wisconsin problems. Revision is made on the basis of the most recent five years' experience available. With payrolls somewhat depleted and other employees working on short hours or part time it is possible that rates may be lower, E. W. Kitzrow, secretary of the board, said. He will go to New York soon to review national experience, particularly on classifications in which Wisconsin has little experience.

### Ohio Fund Rates Increased

**Industrial Commission Makes Same Explanation of Raise as the Private Carriers**

The Ohio Industrial Commission in making its regular July 1 revision of workmen's compensation fund rates, announces an increase of about 10 percent in the basic tariff.

The fund has apparently experienced much the same influences as have private compensation carriers, for the increase is explained because of the increased trend in medical costs, increased liability and interpretation of the law by the courts on appealed cases previously disallowed by the commission; decreasing wage levels resulting in lower payrolls and premiums without corresponding reduction in claims; increased burden on the fund by reason of failure of employers to pay premiums and inability to collect from them; and increased benefits under the amendment to the Ohio law which became effective July 8.

The increase affects 43½ percent of the classification. There were decreases in 10 percent and 46½ percent were unchanged. There was no change in the occupational disease rate.

The state fund on Dec. 31, 1930, had assets of \$52,840,925 and surplus \$2,117,962. This compares with \$56,366,886 and \$3,273,709, respectively, as of Dec. 31, 1929.

#### Treats Accident Injuries

NEWARK, July 22.—Dr. H. H. Kessler, formerly medical adviser to the New Jersey workmen's compensation



## *Today's problems handled by modern methods*

*A*dherence to obsolete methods has never handicapped Lloyds Casualty Company in its fifty-two years of existence, because it is continually keeping abreast with present-day methods.

The whole operating organization of Lloyds Casualty Company is composed of men grounded in all phases of Casualty and Surety work. Lloyds Casualty agents find considerable pride in representing an old company using all modern methods.

# LLOYDS CASUALTY COMPANY

M. DANIEL MAGGIN, Vice President & General Manager

75 MAIDEN LANE

NEW YORK CITY

Plate Glass and Casualty Lines, including Fidelity and Surety.

### *Affiliations:*

DETROIT FIDELITY AND SURETY CO.

COSMOPOLITAN FIRE INSURANCE CO.

# ESSENTIALLY

agency companies,  
recognizing the value  
of full cooperation by  
the Home Office with  
men in the field.

## United States Fidelity and Guaranty Company

R. HOWARD BLAND, *President*

## Fidelity and Guaranty Fire Corporation

R. HOWARD BLAND, *President*

FRANK A. GANTERT  
*Vice-President and General Manager*

Home Offices  
BALTIMORE, MARYLAND

AUTOMOBILE	PUBLIC	BURGLARY	ACCIDENT
LIABILITY	LIABILITY	THEFT	HEALTH
PROP. DAMAGE	TEAMS	PLATE GLASS	WORKMEN'S
COLLISION	ELEVATOR	STEAM BOILER	COMPENSATION

# General Accident



FIRE AND LIFE  
ASSURANCE CORPORATION, Ltd.  
FREDERICK RICHARDSON, *United States Manager*  
GENERAL BUILDING - 4TH & WALNUT STS.  
PHILADELPHIA

bureau, but now medical director of the New Jersey Rehabilitation Clinic, has just completed a book entitled "Accidental Injuries." He has examined more than 60,000 persons who have appeared before the New Jersey state department of labor in industrial accidents. His book covers more than 700 pages and is supplemented with the findings of foreign experts in industrial accident analysis. It carries 157 illustrations depicting successful types of rehabilitation that have been employed by the New Jersey state department.

### New York Tightens Up on Self Insurers' Deposits

NEW YORK, July 22.—The New York state industrial commission controlling the bureau of self insurance, including firms and corporations carrying their own workmen's compensation risks, is reported to be making very largely increased demands on all in this class as regards their deposits with that department for purposes of loss reserves. For example, a company having \$75,000 on deposit (required in the shape of Liberty bonds) is now confronted with a demand for \$25,000 additional. In many cases these demands are complied with without question but in many others it is evident that compliance is not easy, judging from the vigorous protests which are almost daily filed with the self insurance bureau. Mr. Matthew Howard, head of the bureau, says that this action of the department is merely in line with its policy of "safety first" and that the increasing loss ratio of many self-insuring firms leaves the department no option in the matter. The importance of the matter may be judged by some comparative figures. In 1924 432 self insuring firms had on deposit with the Labor Bureau nearly \$20,000,000. In 1929 (the latest figures obtainable) 551 firms and corporations with 625,877 employees and an annual pay roll of \$943,075,766 had about \$20,000,000 on deposit. It is stated that today there is not less than \$25,000,000 on deposit and that, if the present policy of the industrial commissioner is continued, at the end of the year there will be not less than \$50,000,000 on deposit.

### Kansas Situation Unsettled

TOPEKA, KAN., July 22.—There are so many elements injected into the Kansas compensation rate situation that it is unlikely that a decision will be reached until next week. It is generally understood in official circles that the companies writing compensation lines made a showing that the present rate scale is too low and that they are entitled to some increases in the schedule.

But it has also been shown by the employers that there has been a marked reduction in the payrolls in the state and there are indications that there will be further reductions. Thus far the reductions in payrolls have been brought about by the number of employees being reduced. There has been little cutting of wages in industries in this state. That, however, appears to be the next step and that will bring a further reduction in the payrolls along with the decreased number of workers.

### Fletcher and Lafon Change

OKLAHOMA CITY, July 22.—J. F. Fletcher, manager Oklahoma compensation rating bureau has been transferred to the assistant managership of the Southeastern Compensation Rating Bureau with headquarters at Birmingham, Ala. He will be succeeded in Oklahoma City by F. F. Lafon of Raleigh, N. C. Mr. Lafon had charge of the Oklahoma bureau previous to Mr. Fletcher's incumbency.

### Minnesota Increase Expected

ST. PAUL, MINN., July 22.—A net increase in compensation insurance rates

in Minnesota is expected to follow a hearing called here for August 6. The Minnesota compensation rating bureau has submitted a proposal for revising existing rates affecting all classifications. Some rates will be raised, others lowered but the general result is an upward revision. Compensation rates were revised a year ago.

### Prudential Casualty Writes Surety

The Prudential Casualty & Surety of St. Louis is now writing fidelity and surety bonds. It is writing all casualty lines except compensation. The home office is at 110 North 9th street in St. Louis.

### State Fund Deposit Required

Counsel for the Ringling Brothers and Barnum & Baily Circus explained to the New York compensation bureau that its failure to take out indemnity in the state fund was that it carried self-insurance, covering employees engaged in hazardous occupations. The bureau advised that self-insurers were required to make a deposit with the state as a guarantee of their financial responsibility.

## Accident-Health Field News

### Company Verdict Upheld

Nebraska Supreme Court Decides Case  
Where Liability Was Denied Because of Suicide

The Nebraska supreme court in Sawyer vs. Mutual Benefit Health & Accident takes up a suicide case. The company admitted death of the insured, but denied that it was caused by accidental means. The trial court sustained a motion to direct a verdict for the company. Some time previous to his death the assured learned from a physician that he had high blood pressure. The assured and his wife went 20 miles away to consult his family physician. A year or two previous a gun had been purchased as the assured carried considerable money with him and it was placed in the pocket of the car. Arrangements were being made for the trip to the doctor. The husband entered the garage and the wife went to her daughter's home for a few minutes. In ten minutes she came back and found her husband dead with a bullet hole through his head.

### Suicide Presumption

It was held that some courts have decided that the presumption of death by suicide amounts to evidence. The Nebraska supreme court says the question here is whether the circumstances produced on behalf of the plaintiff are such as to overcome or remove the presumption. The absence of powder burns would indicate that the pistol was held either at a considerable distance from the insured's head or so close as to prevent any powder burns. The small space between the wall of the garage and the car indicates that the pistol could not have been fired from any considerable distance. Therefore in order to have no powder burns, it is probable that the gun was held against the insured's head. There is no evidence to show that there was any other person than the insured present. Under all circumstances accidental discharge of pistol is not a reasonable deduction. The court holds that the verdict directed for the company was proper.

### Rogers Made Claim Manager

The American Bankers has appointed E. A. Rogers manager of the claim department to fill a vacancy created by the recent resignation of J. N. Trumble. Mr. Rogers was formerly a claim adjuster for the Continental Casualty.



## FIDELITY AND SURETY NEWS

### Important Kentucky Decision

#### Appellate Court Holds Surety Company May Be Sued Despite Provision Squarely Contrary

The Kentucky court of appeals holds in suit of the United States Gypsum Company against the Aetna Casualty that material men can sue a contractor's surety on a bond containing a provision that if the contractor should pay all persons for labor or material the obligation would be void. The case hinged around construction of an 11 story addition to the Ventura hotel at Ashland, Ky., by the Ashland Hotel & Realty Co., work being done by the Ramsey & Gatlin Construction Co.

Another contract called for repair and remodeling of the old hotel, both contracts requiring the contractor to obtain surety bonds, which were placed in the Aetna, the total amount being \$241,147. The bond on the old building was for \$77,260 and required the contractor to pay off and discharge any and all mechanics' and material men's liens for work done, labor performed or material furnished. Both bonds carried "faithful performance" clauses. The U. S. Gypsum Company furnished materials valued at \$7,850, received \$5,218 and had due a balance of \$2,631, on which suit was brought.

The appellate court holds that the fact that material men released liens as required by a trust agreement with mortgagee and owner executed after the general contractor's insolvency, did not discharge the surety company in its obligation to material men, and further, that the material men's conditional acceptance of a benefit of trust indenture entered into with mortgagee and owner did not work a novation defeating the material men's right against the surety company.

The court also holds that the fact that material men suing within statutory limitation period did not sue within six months from accrual of cause of action on the contractor's bond as required thereby, did not defeat recovery as the provision of the contract made and performed in state to abridge periods prescribed by the limitation statute is void. The fact that the contractor became insolvent in the period during which material men delayed in suing, did not defeat their recovery on the contractor's bond because of laches.

### To Yield Additional Revenue

NEW YORK, July 22.—Application of the rule adopted by the depository bond writing companies some weeks ago, no longer to grant percentage premium refunds in cases where annual audits disclosed that public deposits failed to reach the amount of the covering bond, it is estimated will yield additional revenue of at least \$500,000 a year to the concerned offices, and to that extent lessen the heavy drain to which they have been subjected under their depository bond business.

### New Auto Accident Policy

The United States Fidelity & Guaranty announces the issuance, as of Aug. 1, of its new "guaranty" automobile accident policy which, for an annual premium of \$10, provides \$5,000 principal sum, \$25 weekly indemnity, with additional indemnity for hospital expenses and/or nurses' fees and surgeons' fees for non-disabling injury, for injury sustained (a) while the insured is operating, driving, riding in, demonstrating, adjusting, repairing or cranking an automobile; or (b) in consequence of the explosion or burning of an automobile; or (c) by being struck, run down, or run over by an automobile.

### Collects Under Transit Bond

#### New York Court Holds Fraudulent Receipt of Securities Occurred While in Transit

New York court of appeals, in Hanson & Hanson vs. National Surety, has held that a stock broker's indemnity bond covering loss of property in transit covers a loss sustained when the party who received delivered securities obtains them fraudulently and intends to convert them to his own use.

The story is that Hanson & Hanson authorized their messenger to deliver certain stocks to Baran & Co., which had agreed to purchase them. The purchaser was not to get title to stock until paid for. Acting under instructions, the messenger obtained a written receipt reserving title in Hanson & Hanson until payment was made for the security. After receiving the stock Baran & Co. abandoned its office and absconded.

The National Surety set up that, as-

suming Hanson & Hanson lost the securities by larceny, complaint failed to show that the larceny occurred while the securities were in transit and before the transit risk was terminated by "delivery thereof at destination."

The court concluded, however, that the problem is "not whether the transit of the securities was terminated by delivery at destination, but whether the transit risk was terminated before the larceny was complete."

"It cannot be said," the court stated, "the larceny occurred after the messenger had ended the transit risk by delivery at destination when that delivery was itself the consummation of a scheme to obtain possession with larceny as intent."

### Lexington Surety Barred

Federal Judge John P. Barnes in Chicago has issued a restraining order preventing the Lexington Surety & Indemnity, formerly the Grand Central Surety, from furnishing bonds to or providing bail for prisoners in federal courts there. The restraining order was requested by Assistant District Attorney L. C. Moody, who asserted the Lexington Surety had failed to pay \$32,500 in bond forfeitures.

## BURGLARY

### Theft Evidence Up to Jury

#### Pennsylvania Superior Court Overrules Metropolitan Casualty's Argument That Evidence Was Insufficient

The Pennsylvania superior court has affirmed judgment for the plaintiff in a case in which the Metropolitan Casualty denied liability under a burglary policy on the theory that sufficient evidence of theft had not been submitted and that the loss did not come within the scope of the policy. Under the circumstances, the court held that the case was for the jury. The case was Green and wife vs. Metropolitan Casualty.

Green testified that his wife kept a bracelet in a locked bureau drawer and that it was removed from the bureau. His testimony further disclosed that he took his young son to school and that his wife, then alone in the house, left the house for a short time. The wife testified that she locked the house door and on her return "the door was open." Mrs. Green stated that she went up-

# VIEWPOINT



## agency understanding

Seasoned viewpoint promotes a sympathetic understanding of agency problems . . . insures harmonious relations between agent and Company.

Continental executives are familiar with every day agency problems. Their spurs were won by performance in the field.

This viewpoint, young enough to be aggressive, old enough to be conservative, has been a factor in the success of these Companies and their agents. It insures the DURABILITY of this institution.

**CONTINENTAL**  
**CASUALTY ASSURANCE**  
**COMPANIES**  
CHICAGO ILLINOIS



stairs and found the bureau drawer open and the bracelet missing. She gave an alarm immediately and participated in an investigation conducted by the city police and by detectives employed by the defendant. There was evidence tending to exclude the possibility that the theft was traceable to anyone who might lawfully have had access to the house.

The assured gave the Metropolitan Casualty notice of the theft and filed an information blank with it upon request. The plaintiff, however, did not file a proof of loss until about three months after the alleged theft but this delay was occasioned by the defendant's instructions to the plaintiff not to file a proof until the full extent of the loss had been determined.

The requirements of a burglary policy as to the time limits of the filing of proof of loss may be waived by the company, the court decided.

### Oklahoma Robbers Bold

OKLAHOMA CITY, July 22.—Robberies in Oklahoma City are becoming more daring and apparently centering on larger goals. Two messengers of the Oklahoma City Ice Company were kidnaped at Tenth and Broadway, one of the busy corners of

the city, by a lone bandit who forced them to drive to the outskirts of the city, where they were robbed of \$3,400 in cash that they were transporting to the bank.

Another daring robbery was that of the Oklahoma Operating Company, where five employees were forced to lie on the floor while the manager opened the safe. The loot amounted to \$1,000 in cash and \$500 in checks. Both were executed in broad daylight in busy sections of the city.

### Ask Burglary Rate Cut

KANSAS CITY, MO., July 22.—The Law Enforcement Association and the Casualty & Surety Underwriters Association are heading a movement for reduction in burglary rates, which are based on 1924 experience.

Losses have declined very noticeably the past two years, but comparative figures are available only from the police records and those of the Law Enforcement group. Rates have been so high that few agencies have written enough burglary, and then only in combination policies, to give comparative experience.

Police records show a reduction in burglaries, and figures are being prepared for checking by local insurance interests, for which M. N. Platt, chairman executive committee of the cas-

ualty association, is spokesman. They will then be sent to the National Bureau of Casualty & Surety Underwriters for action.

### Paymaster Robbery Policies

NEW YORK, July 22.—The rule of the burglary department of the National Bureau of Casualty & Surety Underwriters governing the issuance of paymaster robbery policies, adopted April 20 and which still holds, reads:

"In consideration of the premium charged for the policy of which this endorsement forms a part it is agreed that

indemnity paragraph—of said policy is extended to cover loss by robbery of money and checks which have been distributed to the assured's employees by the custodian as payment of salaries or wages, provided that such loss occurs inside the assured's premises on the same day that employees who have been robbed were paid, and further provided that at the same time there is a robbery or attempted robbery of funds from the custodian. Nothing herein contained shall vary, alter or extend any provision or condition of the policy, other than as above."

## NEWS OF THE COMPANIES

### Curry Heads Great National

Founder of Washington, D. C. Company Joined With National Fidelity of Baltimore Is Elevated

S. B. Curry of Washington, D. C., was elected president, at the monthly meeting in Baltimore, of the Great National of Washington, which recently consolidated with the National Fidelity of Baltimore. Other officers elected are Clay Jewell, Baltimore, vice-president; H. C. Bregel, Baltimore, secretary-treasurer, and J. A. Burkhart, Washington, general counsel. The board consists of Mr. Curry, J. E. Smith, F. W. Zihlmand, O. F. Wright, J. A. Councilor, C. A. Givinn and J. A. Burkhart, all of Washington, and J. W. Burgess, M. R. Lerch, Clay Jewell, H. C. Bregel, E. H. Young, Arthur Gatch, Edward Markley and Charles Whiteford, all of Baltimore.

Mr. Curry is well known in insurance, and has been with the Great National since its organization, formerly as vice-president and general manager. For 10 years he was with the Fidelity Mutual Life of Philadelphia and Philadelphia Casualty, and for 14 years was vice-president in charge of fire and casualty departments of the District Agency Company of Washington. He organized the Great National in 1927. The company now has \$580,000 capital, surplus \$1,200,000 and total assets \$2,300,000.

### New Century Gets Ready to Write Auto Under New Law

The New Century Casualty of Chicago is asking for the consent of its stockholders to write automobile insurance. Under a new Illinois law, permitting casualty companies with \$200,000 of capital to write three lines, the New Century is now in a position to extend its writings in that state beyond burglary and plate glass, which it now writes exclusively. If the consent of the stockholders is obtained, the New Century Casualty plans to enter the automobile field conservatively in Illinois and perhaps one other state. The New Century is licensed in 22 states. Its plate glass business shows an increase during the first six months of 1931 of 6½ percent over the same period last year.

### United States Fidelity & Guaranty

Although business written by the United States Fidelity & Guaranty the first six months this year was about 10 percent under the total in the same period last year, gains are expected every month in the last half. Directors declared a quarterly dividend of 2½ percent, or 25 cents a share, payable Aug. 15 to holders of record July 31. The company already had disbursed \$1,000,000 in dividends this year, which with the latest dividend amounts to a dividend disbursement for the three quarters of 12½ percent on the capital of \$10,000,000.

### Ohio Casualty's Statement

Semi-annual Figures Show the Company Is in a Very Sound Condition—Ample Reserves Up

The semi-annual statement of the Ohio Casualty of Hamilton, O., shows assets \$3,134,073, as compared with \$3,165,140, Jan. 1; premium reserve \$1,285,341, capital \$600,000 and net surplus of \$540,815 as compared with \$524,000, Jan. 1. The Ohio Casualty puts up \$414,153 for liability losses, \$193,839 for claims other than liability. It believes its reserves ample for all contingencies. It has branch offices in Chicago, Knoxville, Tenn., Milwaukee, St. Louis, Cleveland and Minneapolis. The Ohio Casualty writes full cover automobile, plate glass, surety, burglary and all forms of liability.

### Setup of Lincoln Lloyds of Chicago Now Changed

The Lincoln Underwriters Corporation has been organized as a new attorney-in-fact to operate the Lincoln Lloyds of Chicago in place of the Allied Underwriters. Stock in the new management corporation is divided between the underwriters at Lincoln Lloyds and J. W. Stamper, who is secretary of the Physicians Protective Casualty of Chicago.

R. S. Chaloner, who since December, 1930, has been president of the Allied Underwriters, has resigned. He was formerly Chicago branch manager of the Norwich Union Indemnity and before that was assistant manager in Chicago for the Travelers. He is succeeded by W. E. Wolfe, formerly of the Time of Milwaukee, and S. A. Bell of Winzer & Co., Chicago accountants, which helped in the new deal. Mr. Bell and Mr. Wolfe will remain until Lincoln Lloyds affairs are arranged on a new basis.

Offices of the Lincoln Lloyds have been moved to the same floor in the Bankers building, which is now occupied by the Physicians Protective. Lincoln Lloyds was organized in 1928, started writing in 1929 and writes automobile lines exclusively.

### F. & C. Mid-Year Exhibit

Total assets of the Fidelity & Casualty on July 1 were \$38,052,198 as compared with \$38,359,924 on Dec. 31. Its premium reserve, July 1, was \$15,040,515 as compared with \$14,315,377 on Dec. 31. Its net surplus, July 1, was \$2,694,626 as compared with \$3,837,161 on Dec. 31. The capital remains at \$5,000,000.

### Illinois National Casualty Expands

The Illinois National Casualty has just doubled its home office quarters at 540 North Michigan avenue, Chicago, the expansion being necessitated by its recent merger with the Eastern Automobile Insurance Underwriters of Springfield, Ill. J. L. Pickering, formerly with the Central Mutual of Chi-

Vacation days are here again—days that hold much new joy for the motorist. Happy, carefree vacation days! Days that sparkle with life—days of new activity—new sights—new acquaintances—new roads to conquer—new trips to take. Such are vacation days!

For months your clients have looked forward to these days. Don't let an automobile accident, serious as it may be, mar these coveted days. Before your clients go on their vacations see that they are amply protected by Full Coverage Automobile Insurance in this strong, sound company that gives Illinois and Indiana agents unusual bits of help which enable them to succeed. We would like to tell you about our agency proposition.

« »

T. H. REITER  
President

C. H. BARR  
Vice-President

## ILLINOIS NATIONAL CASUALTY COMPANY

540 N. Michigan Avenue, Chicago



ago and before that with the Lumbermen's Mutual Casualty, has just been employed as head of the auditing department. H. N. Johnson, formerly in the agency department, has now been brought into the home office for underwriting. D. G. Burton, who has been connected with the Eastern, has been made head of the claim department of the consolidated company in Chicago. President T. H. Reiter is in charge at Chicago while Vice-President C. H. Barr is head of the Springfield claim office. Another claim office is maintained at Collinsville, Ill.

#### Northwestern National's Progress

MILWAUKEE, July 22. — The Northwestern National Casualty, a running mate of the Northwestern National, is now operating in several middle western states in addition to Wisconsin, and is making a good record, according to W. D. Reed, vice-president. The casualty company, although organized only little more than a year ago, is already justifying expectations, he said.

#### Pennsylvania Department Receiver

The Pennsylvania department has been appointed receiver in that state for the Equitable Casualty and Surety, which failed some months ago.

#### International Reinsurance

The International Reinsurance of Los Angeles reports a 60 percent increase in net income over last year. President Carl M. Hansen states the total for the first six months this year was \$4,880,000, against \$2,946,000 the first half of 1930. Excess of income over disbursements for the period was \$904,000, nearly \$200,000 was written off for depreciation in securities, net admitted assets increased from \$9,179,000 on Dec. 31, to \$9,875,000 June 30, insurance reserves increased from \$4,677,784 to \$5,376,896, \$150,000 was provided for dividend requirements

July 1, surplus was \$2,848,000. Losses and expenses were normal.

#### Physicians Protective Combines Offices

INDIANAPOLIS, July 22.—The Physicians Protective Casualty of Indiana has removed its executive of-

fices from Chicago to the home office in Indianapolis. The company has leased several suites of offices in the Circle Tower. A. A. Cooper is president; C. C. Renow, secretary. This is not the Physicians Protective of Illinois, of which J. W. Stamper is head.

## CASUALTY PERSONALS

Miss Violet Thompson, chief underwriter for the Aetna Casualty & Surety at Kansas City, Mo., has been appointed national judge advocate of the Women's Auxiliary of the Disabled American Veterans. Miss Thompson will have jurisdiction over all disputes arising in the organization throughout the country.

The Indiana Casualty & Surety Field Club will hold its golf tournament at the Speedway golf course in Indianapolis next Friday. An invitation is extended to the fire insurance field men, Indianapolis local agents and brokers to be present. Freeman Davis, manager of the Travelers, is president. Tom Crowley is general chairman of the committee on arrangements, being assisted by Harry Schornstein of the New Amsterdam Casualty.

C. C. Wright, the new resident vice-president of the American Indemnity and American Fire & Marine automobile department at San Francisco, has established his office at 231 Sansome street, San Francisco.

R. N. Gray, medical director of the casualty claims division of the Aetna Life and affiliated companies, who is making a tour of agencies in the northwest and Rocky Mountain states, has been visiting the western branch office in San Francisco, where he was formerly a member of the medical department. Accompanying him on the trip

are his wife and son. He will return to the east early in August.

Joseph Seligman, manager of the casualty claims department of the Consolidated Indemnity, was a recent visitor in San Francisco. Mr. Seligman also spent several days at Los Angeles.

Charles C. Nadel, vice-president and general counsel of the Fidelity and Casualty, died at his summer home at East Hampton, L. I., Monday. He was 75 years old. After practicing law independently for several years, he became general counsel of the company in 1887. He was elected vice-president as well in 1910, continuing to hold both posts until his death. His wife survives him.

Mrs. Franklin Vanderbilt, wife of the vice-president and general manager of the Constitution Indemnity, is undergoing an operation this week in an eastern hospital.

Pittsburgh social circles are interested in the announced engagement of Miss Frances Elizabeth Henry, daughter of Mr. and Mrs. J. W. Henry of Schenley Farms, to J. S. O'Neill of New York City. Miss Henry attended in turn the Westchester Preparatory School and the Finch School of New York, since which time she has been traveling in Europe. She is well known to many casualty men, having attended a number of the casualty conventions at

White Sulphur Springs, where she was always a favorite. Mr. Henry is general agent at Pittsburgh for the Aetna Casualty. Long an active figure in the councils of the National Association of Casualty & Surety Agents, he was its president in 1924 and 1925 and at present is a member of its executive committee. Miss Henry's fiancé prepared for college at Lawrenceville and was graduated from Princeton. The engagement will terminate in an early October wedding.

During the recent series of bank failures in the outlying districts of Chicago, the Washington Fidelity National of that city was successful in composing depositors of the Howard Avenue Trust & Savings Bank, a sound institution in which the Washington Fidelity National is interested, but which was subject to a run on the part of nervous depositors alarmed by bank closings in the neighborhood. The Washington Fidelity National occupies the same building as the Howard Avenue Trust & Savings Bank. The insurance company's employees are paid in checks on that bank and many of the employees have accounts there. When the bank excitement started, the Washington Fidelity National printed a circular to employees declaring that the insurance company would guarantee every cent of deposits of its employees in the bank. Copies of that circular soon came into evidence on the banking floor to be seen by other customers of the bank, who were immediately relieved of their nervousness because of this guarantee, feeling that if an insurance company with such a large stake in the bank had confidence in the institution, they had no cause for alarm. The run was stopped shortly and the bank soon was on a normal routine.

Benevolence is a duty. He who frequently practices it, and sees his benevolent intentions realized, at length comes really to love him to whom he has done good.—Kant.

# THE OHIO CASUALTY INSURANCE COMPANY

B. D. LECKLIDER, President

HAMILTON, OHIO

HOWARD SLONEKER, Secretary

#### Financial Statement July 1, 1931

#### ASSETS

Real Estate—Book Value.....	\$ 183,795.33
Bonds and Stocks—Market Value.....	2,263,634.50
Cash in Bank and Office.....	136,989.69
Premiums in course of collection (under 90 days).....	531,790.31
Interest Accrued .....	3,868.64
Reinsurance .....	1,594.74
Other Ledger Assets .....	12,400.00

\$3,134,073.21

#### LIABILITIES

Special Reserve for Liability Losses.....	\$ 414,153.00
Reserve for Losses and Claims other than Liability.....	193,839.00
Reserve for Unearned Premiums.....	1,285,341.16
Reserve for Taxes .....	26,148.08
Reinsurance .....	15,677.49
Reserve for Reinsurance Accepted.....	20,099.49
Voluntary Reserve for Contingencies.....	38,000.00
Capital Stock .....	\$600,000.00
Surplus .....	540,814.99

Surplus to Policyholders..... 1,140,814.99

\$3,134,073.21

#### SURPLUS TO POLICYHOLDERS "OVER A MILLION DOLLARS"

Full Cover Automobile -- Plate Glass -- Fidelity and Surety Bonds -- Burglary -- Liability

Room A722, 175 W. Jackson Blvd.  
Chicago, Illinois

SOUTHERN DEPARTMENT  
New Sprinkle Bldg.  
Knoxville, Tenn.

#### BRANCH OFFICES:

7166 Plankinton Bldg.  
Milwaukee, Wisconsin

408 Pine St.  
St. Louis, Missouri

1333 Union Trust Bldg.  
Cleveland, Ohio

636 Security Bldg.  
Minneapolis, Minn.

## ILLINOIS CASUALTY COMPANY

SPRINGFIELD

**Exclusively Automobile Insurance  
All Coverages In One Policy**

Are you receiving rapid and sympathetic underwriting and loss adjustment service and the wholehearted support of your automobile writing Company? These advantages plus the strength of a well entrenched stock company policy are essential to your agency.

Write or Telegraph

PAUL W. PICKERING  
Secretary-Treasurer

For Open Territory

Licensed in Illinois, Iowa, Michigan, Missouri and Indiana

# New Amsterdam

## Casualty Company

**A Progressive  
Surety and Casualty Company**

Established 1919

### ATWELL, VOGEL & STERLING, INC.

NATION-WIDE INSURANCE SERVICE

**PAYROLL AUDITS**

**INSPECTIONS**

330 So. Wells St. 123 William St. 4616 Bruce Ave. 369 Pine St.  
Chicago New York Minneapolis San Francisco

Sixteen Other Service Offices Throughout the Country

Especially that unusual cover that means most to you.  
Or can Re-insure large per centage of all your liability.

**Re-Insurance  
Excess Re-Insurance  
Catastrophe Hazard**

**DEE A. STOKER**

Re-Insurance Underwriter  
2111 Daily News Building, CHICAGO

### Connecticut 1930 Casualty Statistics Are Furnished

The Connecticut report shows an increase of \$531,963 in losses paid and a decrease of \$240,415 in premiums received from all casualty companies licensed in Connecticut last year. Companies licensed in the state had an underwriting loss of \$26,900,908 compared with a loss of \$12,520,981 in 1929.

Connecticut casualty companies wrote 20.21 percent of all casualty business written in 1930 and 37.30 percent of the casualty business written in Connecticut. Of the 111 casualty companies operating in Connecticut as of Dec. 31, seven were Connecticut companies, 98 companies of other states and six companies of foreign countries. The Connecticut companies are: Aetna Casualty & Surety, Travelers Indemnity, Hartford Accident & Indemnity, First Reinsurance, Connecticut Plate Glass, Century Indemnity, and Hartford Steam Boiler.

The companies leading in Connecticut casualty business for 1930 were as follows:

Travelers (Accid. Dept.)	\$3,165,131
Aetna Life (Accid. Dept.)	1,555,697
Hartford Accident	1,091,301
Amer. Mutual Liab.	943,081
Aetna Cas. & Sur.	826,959
Lumb. Mutual Cas.	825,530

### Answers Larceny Charge

BOSTON, July 22.—Harry Mackler, an officer of the Atlantic Mutual Casualty of Boston, which was closed up by the commissioner of insurance early last May, appeared last week in the superior court to answer an indictment charging the larceny of \$3,000 from the company. At the time the company was closed up it was claimed that two officers of the company had disappeared and that \$7,000 of the funds were missing. At the hearing it was claimed that Mackler, with another man, not yet apprehended, took the money. Mackler testified that the money taken was money he and another man had spent before and during the incorporation of the insurance company out of their own pockets. The government contended that this procedure was also illegal as the corporation was not solvent. Mackler was released on \$5,000 bail.

### Will Enforce Insurance Cover

INDIANAPOLIS, July 22.—In order to compel busses in interstate traffic through Indiana to carry adequate liability and property damage insurance, the Indiana public service commission has found it necessary to reverse a stand previously taken with regard to the issuance of certificates of public convenience and necessity. It became the rule of the commission some time ago that it would issue no more certificates of this nature, merely allowing the busses to proceed through the state on a permit by the commission. This permit, however, would not give the commission authority to enforce the strict Indiana laws pertaining to insurance on public carriers. Hereafter the commission will require interstate lines to secure certificates of convenience and necessity, which will give the commission power to enforce adequate insurance coverage.

### Testing New Rating Plan

NEW YORK, July 22.—To test what is intended to prove a more accurate method of rating automobiles owned by states, counties, municipalities or departments thereof, the National Bureau of Casualty & Surety Underwriters is using in New Jersey and California a new form of blank calling for the experience of each car in a fleet, which must embrace at least five in number. When the data is assembled it will promulgate the final rate thereon. The effort is an experimental one and may be modified later on. When perfected the form will be extended to other states and will likely become uniform the country over.

### Insuring Currency in Safety Deposit Boxes for Holders

CONSIDERABLE BUSINESS UP

Individuals Are Protecting Their Funds  
Where They Have Withdrawn  
from the Banks

Following up the conditions of the times in cities where banks have suspended or failed and people have withdrawn their money from banks and put it in safety deposit boxes, agents are finding a fruitful business in writing individual box holders against burglary and robbery. The flat rate is \$1 but companies naturally will not insure boxes that are not in well protected vaults. There have been cases where safety deposit vaults have been entered and boxes looted. One of the most recent was an outlying bank in Chicago. Some people have gotten panicky regarding banks and are taking no chances on them. Burglary insurance covers forcible entry to the vault where the boxes are broken in order to get the money. Robbery covers cases where a person may be forced to go to a safety deposit box and unlock it, being held up. It might occur where a holdup is in progress and a boxholder happens to be there at the time.

### PROPER WRITING OF COVER

Superintendent Kley of the burglary department of the Union Indemnity at its home office explains the coverage of money in boxes:

"I am taking the liberty of calling your attention to the article appearing entitled 'Large Amounts of Currency in Safety Deposit Boxes.' I believe this article will be misleading to many agents, particularly that sentence which reads: 'This opens the opportunity for individual safety box insurance.'"

"The standard form safe deposit box policy specifically excludes from its coverage money as defined in the American Bankers Association form of policy. This is also true of the standard form individual lessee's safe deposit box endorsement. It is possible to cover such property while contained in a safe deposit box contained within the vault of a banking institution at the regular bank burglary and robbery rates applicable to money, but not under the safe deposit form of contract, which rate contemplates coverage only on securities, jewelry and silverware."

### Concord's New Jersey Changes

G. J. Fliegelman, who has had charge of New Jersey for the Concord Casualty & Surety, with headquarters in Camden has been transferred to Newark. W. A. Payne, who has been at the New York office, has taken charge of the Camden office and will supervise southern New Jersey.

### Fight Ambulance Chasing

ST. LOUIS, July 22.—Plans for a general movement to wipe out "ambulance chasing" and fraudulent personal injury claims are being worked out by the Automobile Insurance Association of Missouri according to President J. B. Hill. Practically all interests representing insurance will join us in the movement.

### Rubin Opens Office

M. H. Rubin, for eight years state agent American Casualty at Cleveland, who recently became agency representative of the Independence Indemnity of Philadelphia, has established headquarters at 2910 A. I. U. Citadel, Columbus. D. J. Gwilyn, Cleveland, is working with Mr. Rubin.



## Security Slump Seen in Figures

(CONTINUED FROM PAGE 3)

have lost their attractiveness and the new quarterly statements will doubtless disclose many shifts in stock and bond holdings.

While guided in the financial affairs by bankers and others particularly versed in the selection of securities, the history of the past 18 months has revealed that even so-called financial wizards, have often failed to gauge valuation trends and the offices with which they are identified have been compelled to stand losses as great proportionately as companies without the aid of the financially talented. Conditions in the industrial and financial worlds are abnormal, and ordinarily reliable standards of values cannot now be counted upon, at least to anything like the degree that formerly held. Bankers frankly concede that they are oftentimes guessing when passing upon stock values, and that their guess is but little, if any, better than that of the man on the street.

### Place Dependence on Bonds

The British companies operating here have ever placed greater dependence upon bonds than upon even what had been termed first-class stocks, and largely invest in securities of the former type. While this policy during the years of great prosperity militated against them, since the slump in the market they have been considerably better off; the decline in municipal and kindred types of bonds being materially less than in stocks. Real estate, because of its non-liquid character, has never been favored by fire companies, whose holdings in such connection, if any, are generally confined to their home office buildings.

## Unprotected Towns Show Bad Deficit

(CONTINUED FROM PAGE 5)

bankers, mortgage and other financing companies, would also make every effort to force the department of fire prevention and rates to advance rates, so that adequate coverage could be had on such properties to protect their loans. The local agents in the rural districts, also facing loss of premium income, would also use every weapon at their command to force action, so that companies would again write such classes.

### Sentiment Among Field Men

Ninth and tenth class unprotected have for years been the chief difficulty in the way of the companies making money in Kentucky. A number of field men when questioned regarding the letter held that it would be hard to secure co-operation of companies, that there has been tightening up in outside business, closer inspection, greater picking and from selected agents, etc. Some company men, with large agency plants, appeared to feel that it would be too great a chance to lose good agents, and that merely tightening up was about all that could be expected of the program.

### Travelers Leaders Celebrate

H. C. Leavens, assistant superintendent of agencies, Travelers Indemnity, was guest of honor when the 25 leading agents in the Travelers' spring automobile campaign in the Dayton, O., area celebrated their success.

At the dinner in Miamisburg Manager H. A. Probst acted as toastmaster.

Ray Cox, outstanding producer of Xenia, stressed the importance of an agent continuously educating himself by means of the casualty publications and study courses. Mr. Probst announced that despite the depressed business conditions, the premium volume of the campaign exceeded that of last year.

## Louisville Agent Is Pushing Original Value Auto Cover

(CONTINUED FROM PAGE 4)

town agencies in which they have planted the Louisville F. & M. After the year's trial the Tachau interests, satisfied as to the soundness, found that many companies would reinsure the maximum limit plan but would not write it themselves, due to the human element in agents, and the fact that the companies were not in position to hand-pick their risks.

Tachau & Son point out in the circular letter that a person with a car two years old for which he paid \$1,500 originally can get no more than \$750 insurance under the usual plan, and if loss occurs later in the year cannot recover even that much because of depreciation which may reduce indemnity to \$500. The agency emphasizes that the car may be in perfect condition and states that the owner would have to spend \$1,500 for another like it.

### Disregard Age and Time

The agency will write a policy up to full original cost of car, regardless of age, and pay in full up to amount of policy, regardless of time of loss, it is stated. The letter has been mailed only to a carefully selected list of owners of "sound value" cars.

The Louisville F. & M. accepts a maximum of but \$1,000, the rest being reinsured, but generally on risks up to \$1,000 holds one-third and reinsures the balance. The standard form is used, plus a verbal agreement.

Some Louisville local agents admit that this plan gains attention, and perhaps increases premiums, but they question whether it is good from an underwriting viewpoint, in that it creates a false insurable value which could not be impartially offered to anyone. One agent considers that this is just what companies do not want, over-insured values.

## Ohio Attorney General in Opinion on Agent's License

(CONTINUED FROM PAGE 28)

insurance superintendent by a domestic casualty company as its agent, as required by section 645-1, general code, is authorized to solicit insurance for the company in Ohio without further license or evidence of authority. The opinion also states that section 644, general code, confers no authority upon the superintendent in reference to licensing agents for domestic casualty companies. Former Gov. Vic Donahey is president of the Motorists Mutual.

Some time ago the exchange filed an application for a license to write automobile. The department heard arguments for and against the granting of a license, Cincinnati insurance men appearing to oppose it. The case has attracted wide attention in insurance circles.

The attorney-general says it was the obvious intention of the legislature to except agents of domestic casualty companies from operation of section 644. Since such agents are excepted he deduces that jurisdiction over licensing them is taken from the department.

It is believed that if the opinion stands many automobile carriers will rush to line up automobile clubs all over the state as agents.

### Marine, Fire Men Meet

NEW YORK, July 22.—Representatives of marine writing offices and fire companies will meet in joint session here this afternoon to determine a formula for figuring the fire premium involved in inland marine covers upon which a tax can be levied for the support of the fire patrol. The Newark patrol is interested too, desiring to gain the revenue to which it is properly entitled.

CASUALTY & SURETY

EXCESS COVERS

REINSURANCE

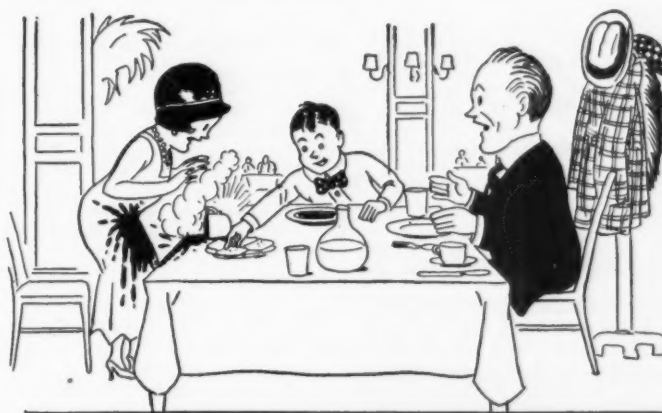
## THE EXCESS INSURANCE COMPANY OF AMERICA

JAMES GIBBS, President

Executive Offices:

84 WILLIAM STREET  
NEW YORK CITY  
NEW YORK

Telephone: 3-0890



## ACCIDENTS WILL HAPPEN

If a garment is ruined by paint, grease, stains or damaged when in an accident, the loss is recoverable under a Personal Effects Policy. In addition articles of personal jewelry and furs are covered against all risks for an amount not exceeding 25% of the amount of the Policy with limit of \$500 on any one article of jewelry or fur.

The policy also covers property at Clubs, Cleaners, Laundries and elsewhere outside of the home, not only in the United States but throughout the world.

How can a family afford to take a trip without this protection?

## A. F. SHAW & CO., INC.

Insurance Exchange  
Chicago, Ill.

75 Maiden Lane  
New York City

General Agents—All Risks and Inland Marine Departments

Saint Paul Fire & Marine Insurance Co.  
Eureka-Security Fire & Marine Ins. Co.

## BETTER ROADS HIGH SPEEDS MORE ACCIDENTS MORE SERIOUS INJURIES

THE above four factors, impending hazards to all motorists, indicate that 1931 will probably take a greater automobile accident toll than the unheard record of last year. Complete automobile insurance brings complete peace of mind to your clients.

The BELT specializes in complete automobile protection which is so sorely needed in these days of high motoring toll. BELT service which extends from coast-to-coast is instantly available for BELT policyholders. BELT policies are obtainable at an exceedingly low rate considering the high quality complete protection that is given.

The BELT unusual agency contract will appeal to you. Your request for complete information will be rapidly answered. Address inquiry to C. M. Nichols.

### BELT CASUALTY COMPANY

Affiliated with Belt Fire Insurance Co.

Home Office

4750 Sheridan Road Chicago, Illinois

### WINZER & CO.

CERTIFIED PUBLIC ACCOUNTANTS

Specializing in

### INSURANCE ACCOUNTING

29 S. La Salle Street  
CHICAGO

### Reduce Insurance Rates

Recommend

### JUSTRITE OILY WASTE AND SAFETY CANS

Approved and Labeled by the Underwriters Laboratories and Associated Factories Mutual Insurance Co.'s

JUSTRITE MANUFACTURING CO.  
2067 SOUTHPORT AVE. CHICAGO, ILL.

### CASUALTY ATTORNEY

Casualty insurance companies, can you use services of trial lawyer or claims adjuster with ten years successful trial experience in all courts in Chicago on monthly retainer or any equitable fee arrangement? Have represented many automobile and other casualty companies. Address T-9, care The National Underwriter.

## Motor Accidents Being Analyzed

(CONTINUED FROM PAGE 27)

best solutions of our problem of increasing accidents. Improved traffic regulations have some value. Better enforcement of existing laws and the new drivers' license regulations are also of considerable help. But it is most important to make the motorist himself safety-conscious and have him cultivate the right attitude toward safety on the highway. This becomes a responsibility of the individual motorist—a responsibility he cannot evade.

Dr. Stack declared the press particularly has an important contribution to make in this work of educating the motorist. The accident has always had good news value but when the actual cause of the accident is described, this is one of the best ways of demonstrating to motorists the hazards of bad driving. The schools and the police have an important contribution to make to accident prevention work. Good police protection and school-boy patrols have practically eliminated accidents to children on the way to and from school.

### Mental Condition Important

The speaker also contended that the mental condition of the motorists and the pedestrian have much more to do in causing accidents than statistics would show. A faulty mental set toward the right of other motorists and pedestrians, extreme grief, anger or worry may also contribute to accidents as may bravado or attempts to show off. Lack of information concerning traffic regulations also may contribute to many accidents. Then of course the drunken driver is one of the greatest menaces on the highway.

The steps that Iowa has taken toward the drivers' license laws were commended by the speaker. As fast as states adopt some of the recommendations of the Hoover conference on street and highway safety it is found that as a rule these accident experiences improve.

### State Inspection Effective

State inspection of motor vehicles that has been carried on in 11 states during the last two years has proved particularly effective in reducing accidents. During the last year, over 4,000,000 automobiles were inspected in "Save-a-Life" campaigns in the various states. Many defects were found in this inspection and many cars found to be in bad shape.

All of this work has been helpful in keeping down the mounting toll of accidents which exceeded 32,000 fatalities and over 960,000 non-fatalities during the last year.

### Drivers License Bill Defeated

MONTGOMERY, ALA., July 22.—Despite the efforts of many leading insurance men of the state to secure the passage of the automobile drivers' license bill, the measure met decisive defeat in the Alabama house last week by an overwhelming vote.

## Banks No Longer Vie for Deposits of Public Funds

NEW YORK, July 22.—With the difficulty now experienced in making safe investments at profitable rates of interest and with deposits constantly piling up, there has been a marked change in the attitude of banks throughout the country toward public deposits. Up to within the past year or two financial institutions were vying with one another in seeking to be designated as depositories for state, county or municipal funds, and every possible political influence was exerted to attain such end. Today the disposition of the average bank is to sidestep public accounts, in spite of the steady reduction in interest rates which the authorities sanction. Even though the interest called for is as low as 1.5 percent, banks prefer to forego handling public money, declaring that they experience no little difficulty in properly investing the funds entrusted them by their regular mercantile and individual patrons, and have no disposition to add to the burden.

## Summary of Interesting Decisions in Surety Field

(CONTINUED FROM PAGE 25)

not really a surety bond. It is an indemnity bond. It does guarantee the performance of the order which is referred to in the bond as a part of it. Contracts of indemnity, therefore, must receive a reasonable construction so as to carry out, rather than defeat the purpose for which they were executed. To this end the court says it was relevant to show that the agent of the surety company had knowledge that the pipe company was under the necessity of securing advances on contracts received and accepted from a bank before the contract had been performed, and that the bank advanced the money on this particular order only upon the assurance that the order would be indemnified by some acceptable surety. The whole purpose of the transaction is to save the bank harmless in putting up the money, to enable the pipe company to manufacture the goods and fill the order. Since it did not do that, and the bank suffered a loss, the surety company agreed that the loss should be indemnified. An indemnity to two or more indemnitees regarding the same subject matter may, according to the intention of the parties, be several. The bond was intended to apply to losses or damages or liabilities of different character as to each of the indemnitees. The court says it is manifest that it was so intended by the principal and the surety. The judgment is therefore affirmed.

Every local agent should subscribe for a personal copy of The National Underwriter.

## Michigan Concern Goes to the Wall

(CONTINUED FROM PAGE 27)

for an assessment equal to the par value of their holdings.

The exchange had a reputation for haggling over claims and recently lost a \$10,000 suit in Michigan supreme court on this account while decision in a similar case is still being awaited.

### Three Are Left

Passing of the Casualty Association leaves only three of the seven reciprocals domiciled in Michigan as late as the end of 1929. These are the Detroit Automobile Club's Inter-Insurance Exchange, which took over the Valley Auto Insurance Exchange of Saginaw last year; the National Automobile Owners Inter-Insurance Exchange of Gladstone, and the Professional Underwriters of Grand Rapids. Those which have passed from the picture besides the Valley are: the American Underwriters, Muskegon, still in process of liquidation after a disastrous crash; and the Atlas Insurance Underwriters, Owosso, also in receivership although this exchange attempted to cease business and liquidate.

### CALIFORNIA RECEIVER NAMED

SAN FRANCISCO, July 22.—Appointment of Edw. H. Marxen, of Los Angeles as federal receiver in California for the Casualty Association of America is announced. While such action was not entirely unexpected this action on the part of the federal court came as somewhat of a surprise in view of the fact that the California department was awaiting advices from Michigan on the outcome of a hearing. The California department received advices Tuesday following the appointment of Mr. Marxen that a receiver had also been appointed in Michigan. According to the information obtainable thousands of California policyholders will be subjected to assessment as authorities say that there are apparently no assets in the state to meet the situation. The Casualty Association of America, it was reported obtained nearly all of its business in California.

## Decision in an Automobile Collision Case Is Rendered

In an action of assumpsit on a policy of automobile insurance to recover the sum determined upon by an appraisal as the loss sustained by the plaintiffs, the evidence established that the plaintiff's car was insured by the Standard Accident against damage by collision. The policy provided for a determination of damages by appraisers. Subsequent to a collision in which the car was damaged, appraisers were appointed and they made an award for the assured. No effort was made to have the award corrected or set aside and the defendant made no objection to it until payment was demanded. The defendant admitted that the appointment of appraisers was proper and regular, and there was no allegation or contention that the appraisers acted dishonestly or improperly in the discharge of their duties.

Held that where the defendant acquiesced in the award for the plaintiffs made by properly appointed appraisers who acted in good faith, it waived any alleged defects in the appraisal and is bound thereby, and that it was not error for the trial court to instruct the jury to find for the plaintiffs in the amount of the award as made by the appraisers. Further, a provision in the policy which states that the policy is intended to cover "actual loss or damage" to the insured car includes the element of depreciation. Judgment for plaintiff affirmed. Schreck et ux. v. Standard Accident. Penna. Superior Ct.

## MEETS YOUR SELLING NEEDS



OCTOBER—Landlords, owners and tenants may be held responsible for injuries on their property.

THIS is one of the 12 timely pictures from The National Underwriter's 1932 Calendar designed especially to fit the selling needs of local agents. It has 12 brown rotogravure sheets mounted on a heavy red back. Exclusive franchises granted in cities under 100,000. Send 10c for sample.

### The National Underwriter

A-1946 Insurance Exchange, Chicago  
Fire



# REINSURANCE

MEANS UNDERWRITING CAPAC-  
ITY, FLEXIBILITY, SAFETY

PROVIDED FOR CASUALTY  
COMPANIES BY

**EMPLOYERS  
REINSURANCE  
CORPORATION**  
KANSAS CITY

This fleet points to its own record as proof positive that America's agency system is the axis of American insurance and that a company's strength derives from its agency plant. Fireman's Fund, Home Fire & Marine and Occidental Insurance companies, the Fireman's Fund and Occidental Indemnity companies. . .

SAN FRANCISCO

NEW YORK CHICAGO BOSTON ATLANTA